UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001 — 32622

EVERI HOLDINGS INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**20-0723270**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
7250 S. TENAYA WAY, SUITE 100	
LAS VEGAS, NEVADA	**89113**
(Address of principal executive offices)	**(Zip Code)**

(800) 833-7110
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	EVRI	The New York Stock Exchange

As of May 1, 2019 , there were 71,112,733 shares of the registrant’s $0.001 par value per share common stock outstanding.

TABLE OF CONTENTS

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In thousands, except earnings per share amounts)

	Three Months Ended March 31,	
	2019	**2018**
Revenues		
Games revenues		
Gaming operations	$ 44,286	$ 40,056
Gaming equipment and systems	23,087	20,154
Gaming other	54	7
Games total revenues	67,427	60,217
FinTech revenues		
Cash access services	40,832	38,218
Equipment	7,028	4,419
Information services and other	8,488	8,147
FinTech total revenues	56,348	50,784
Total revenues	123,775	111,001
Costs and expenses		
Games cost of revenues [(1)]		
Gaming operations	4,124	4,182
Gaming equipment and systems	12,529	10,741
Gaming other	—	—
Games total cost of revenues	16,653	14,923
FinTech cost of revenues [(1)]		
Cash access services	2,697	2,231
Equipment	4,330	2,514
Information services and other	958	1,216
FinTech total cost of revenues	7,985	5,961
Operating expenses	34,648	32,187
Research and development	7,531	4,311
Depreciation	14,789	12,825
Amortization	16,297	16,303
Total costs and expenses	97,903	86,510
Operating income	25,872	24,491

	Three Months Ended March 31,	
	2019	2018
Other expenses		
Interest expense, net of interest income	20,400	20,307
Total other expenses	20,400	20,307
Income before income tax	5,472	4,184
Income tax benefit	(388)	(425)
Net income	5,860	4,609
Foreign currency translation	504	323
Comprehensive income	$ 6,364	$ 4,932
Earnings per share		
Basic	$ 0.08	$ 0.07
Diluted	$ 0.08	$ 0.06
Weighted average common shares outstanding		
Basic	70,334	68,686
Diluted	75,256	73,285

(1) Exclusive of depreciation and amortization.

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value amounts)

	At March 31, 2019	At December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 139,857	$ 297,532
Settlement receivables	259,288	82,359
Trade and other receivables, net of allowances for doubtful accounts of $6,281 and $6,425 at March 31, 2019 and December 31, 2018, respectively	72,333	64,387
Inventory	24,797	24,403
Prepaid expenses and other assets	22,293	20,259
Total current assets	518,568	488,940
Non-current assets		
Property, equipment and leased assets, net	113,067	116,288
Goodwill	673,447	640,537
Other intangible assets, net	292,955	287,397
Other receivables	12,297	8,847
Other assets	21,670	6,252
Total non-current assets	1,113,436	1,059,321
Total assets	$ 1,632,004	$ 1,548,261
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Settlement liabilities	$ 354,402	$ 334,198
Accounts payable and accrued expenses	152,716	129,238
Current portion of long-term debt	8,200	8,200
Total current liabilities	515,318	471,636
Non-current liabilities		
Deferred tax liability	27,354	27,867
Long-term debt, less current portion	1,153,807	1,155,016
Other accrued expenses and liabilities	31,327	2,637
Total non-current liabilities	1,212,488	1,185,520
Total liabilities	1,727,806	1,657,156
Commitments and contingencies (Note 13)		
Stockholders' deficit		
Common stock, $0.001 par value, 500,000 shares authorized and 95,966 and 95,100 shares issued at March 31, 2019 and December 31, 2018, respectively	96	95
Convertible preferred stock, $0.001 par value, 50,000 shares authorized and no shares outstanding at March 31, 2019 and December 31, 2018, respectively	—	—
Additional paid-in capital	305,672	298,929
Accumulated deficit	(223,597)	(229,457)
Accumulated other comprehensive loss	(1,494)	(1,998)
Treasury stock, at cost, 24,902 and 24,900 shares at March 31, 2019 and December 31, 2018, respectively	(176,479)	(176,464)
Total stockholders' deficit	(95,802)	(108,895)
Total liabilities and stockholders' deficit	$ 1,632,004	$ 1,548,261

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31,	
	2019	**2018**
Cash flows from operating activities		
Net income	$ 5,860	$ 4,609
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation	14,789	12,825
Amortization	16,297	16,303
Amortization of financing costs and discounts	890	905
Loss (gain) on sale or disposal of assets	513	(13)
Accretion of contract rights	2,122	2,057
Provision for bad debts	2,864	2,182
Deferred income taxes	(513)	(561)
Reserve for obsolescence	441	305
Stock-based compensation	1,773	2,350
Changes in operating assets and liabilities:		
Settlement receivables	(175,748)	73,571
Trade and other receivables	(12,385)	(9,715)
Inventory	57	(1,157)
Other assets	(16,756)	1,251
Settlement liabilities	19,931	(74,617)
Other liabilities	27,677	2,456
Net cash (used in) provided by operating activities	(112,188)	32,751
Cash flows from investing activities		
Capital expenditures	(22,194)	(26,339)
Acquisition	(20,000)	—
Proceeds from sale of fixed assets	33	72
Placement fee agreements	(5,329)	(4,643)
Net cash used in investing activities	(47,490)	(30,910)
Cash flows from financing activities		
Repayments of credit facilities	(2,050)	(2,050)
Proceeds from exercise of stock options	4,686	4,088
Purchase of treasury stock	(15)	(38)
Net cash provided by financing activities	2,621	2,000
Effect of exchange rates on cash	(343)	147
Cash, cash equivalents and restricted cash		
Net (decrease) increase for the period	(157,400)	3,988
Balance, beginning of the period	299,181	129,604
Balance, end of the period	$ 141,781	$ 133,592

See notes to unaudited condensed consolidated financial statements.

	Three Months Ended March 31,	
	2019	2018
Supplemental cash disclosures		
Cash paid for interest	$ 12,470	$ 15,206
Cash paid for income tax, net of refunds	92	66
Supplemental non-cash disclosures		
Accrued and unpaid capital expenditures	$ 3,209	$ 4,145
Accrued and unpaid placement fees added during the year	—	363
Transfer of leased gaming equipment to inventory	4,673	1,897
Operating lease ROU assets obtained in exchange for lease obligations	15,132	—
Fair value of assets acquired	50,240	—
Cash paid	20,000	—
Accrued and unpaid liability for loyalty acquisition	27,556	—
Liabilities assumed	2,684	—

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In thousands)

	Common Stock—Series A		Additional	Retained Earnings	Accumulated Other		Total
	Number of Shares	Amount	Paid-in Capital	(Accumulated Deficit)	Comprehensive Income (Loss)	Treasury Stock	Deficit
Balance, January 1, 2018	93,120	$ 93	$ 282,070	$ (246,202)	$ (253)	$ (176,341)	$ (140,633)
Net income	—	—	—	4,609	—	—	4,609
Cumulative adjustment related to adoption of ASC 606	—	—	—	4,389	—	—	4,389
Foreign currency translation	—	—	—	—	324	—	324
Stock-based compensation expense	—	—	2,350	—	—	—	2,350
Exercise of options	712	1	4,298	—	—	—	4,299
Restricted share vesting withholdings	—	—	—	—	—	(38)	(38)
Balance, March 31, 2018	93,832	$ 94	$ 288,718	$ (237,204)	$ 71	$ (176,379)	$ (124,700)
Balance, January 1, 2019	95,100	$ 95	$ 298,929	$ (229,457)	$ (1,998)	$ (176,464)	$ (108,895)
Net income	—	—	—	5,860	—	—	5,860
Foreign currency translation	—	—	—	—	504	—	504
Stock-based compensation expense	—	—	1,773	—	—	—	1,773
Exercise of options	864	1	4,970	—	—	—	4,971
Restricted share vesting and withholding	2	—	—	—	—	(15)	(15)
Balance, March 31, 2019	95,966	$ 96	$ 305,672	$ (223,597)	$ (1,494)	$ (176,479)	$ (95,802)

See notes to unaudited condensed consolidated financial statements.

In this filing, we refer to: (a) our unaudited condensed consolidated financial statements and notes thereto as our "Financial Statements," (b) our Unaudited Condensed Consolidated Statements of Income and Comprehensive Income as our "Statements of Income," and (c) our Unaudited Condensed Consolidated Balance Sheets as our "Balance Sheets."

1. BUSINESS

Everi Holdings Inc. ("Everi Holdings," "Holdings," or "Everi") is a holding company, the assets of which are the issued and outstanding shares of capital stock of each of Everi Games Holding Inc. ("Everi Games Holding"), which owns all of the issued and outstanding shares of capital stock of Everi Games Inc. ("Everi Games" or "Games"), and Everi Payments Inc. ("Everi Payments"). Unless otherwise indicated, the terms the "Company," "we," "us," and "our" refer to Everi Holdings together with its consolidated subsidiaries.

Everi is a leading supplier of technology solutions for the casino gaming industry. We provide casino operators with a diverse portfolio of products, including innovative gaming machines that power the casino floor, and casino operational and management systems that include comprehensive, end-to-end financial technology solutions, critical intelligence offerings, and gaming operations efficiency technology. Everi also provides tier one land-based game content to online social and real-money markets via its Remote Game Server and operates social play for fun casinos.

Everi Holdings reports its results of operations based on two operating segments: Games and FinTech. Effective April 1, 2018, we changed the name of the operating segment previously referred to as "Payments" to "Financial Technology Solutions" ("Everi FinTech" or "FinTech"). We believe this reference more accurately reflects the focus of the business segment on delivering innovative and integrated solutions to enhance the efficiency of the casino operator, support the comprehensive regulatory and tax requirements of their gaming customers, and improve players' gaming experience by providing easy access to their funds and payment of winnings.

Everi Games provides gaming operators products and services, including: (a) gaming machines primarily comprised of Class II and Class III slot machines placed under participation or fixed fee lease arrangements or sold to casino customers, including *TournEvent* ® terminals that allow operators to switch from in-revenue gaming to out-of-revenue tournaments; (b) system software, licenses, and ancillary equipment; and (c) business-to-consumer and business-to-business interactive activities. In addition, Everi Games develops and manages the central determinant system for the video lottery terminals ("VLTs") installed in the State of New York, and it also provides similar technology in certain tribal jurisdictions.

Everi FinTech provides gaming operators cash access and related products and services, including: (a) access to cash at gaming facilities via Automated Teller Machine ("ATM") cash withdrawals, credit card cash access transactions, point of sale ("POS") debit card cash access transactions, and check verification and warranty services; (b) equipment that provides cash access and efficiency-related services; (c) self-service enrollment and loyalty card printing equipment; (d) products and services that improve credit decision making, automate cashier operations, and enhance patron marketing activities for gaming establishments; (e) compliance, audit, and data solutions; and (f) online payment processing solutions for gaming operators in states that offer intrastate, Internet-based gaming and lottery activities.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our unaudited condensed consolidated financial statements included herein have been prepared by us pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Some of the information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States ("GAAP") have been condensed or omitted pursuant to such rules and regulations, although we believe the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include normal recurring adjustments) necessary for a fair statement of results for the interim periods have been made. The results for the three months ended March 31, 2019 are not necessarily indicative of results to be expected for the full fiscal year. The Financial Statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 .

Other than the adoption of the Financial Accounting Standard Board's (the "FASB") Accounting Standards Update ("ASU") No. 2016-02 ("Leases") and all subsequent amendments (collectively, Accounting Standards Codification 842, or ASC 842), there have been no changes to our basis of presentation and significant accounting policies since the most recent filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 .

Revenue Recognition

Overview

We evaluate the recognition of revenue based on the criteria set forth in ASC 606 ("Revenue from Contracts with Customers") and ASC 842, as appropriate. We recognize revenue upon transferring control of goods or services to our customers in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We enter into contracts with customers that include various performance obligations consisting of goods, services, or combinations of goods and services. Timing of the transfer of control varies based on the nature of the contract. We recognize revenue net of any sales and other taxes collected from customers, which are subsequently remitted to governmental authorities and are not included in revenues or operating expenses. We measure revenue based on the consideration specified in a contract with a customer and adjusted, as necessary.

We evaluate the composition of our revenues to ensure compliance with SEC Regulation S-X Section 210.5-3, which requires us to separately present certain categories of revenues that exceed the quantitative threshold on our Statements of Income.

Significant Judgments

We apply judgments or estimates to determine the performance obligations and the Stand-Alone Selling Price ("SSP") of each identified performance obligation. The establishment of SSP requires judgment as to whether there is a sufficient quantity of items sold or renewed on a stand-alone basis and those prices demonstrate an appropriate level of concentration to conclude that a SSP exists. The SSP of our goods and services are generally determined based on observable prices, an adjusted market assessment approach or an expected cost plus margin approach. We utilize a residual approach only when the SSP for performance obligations with observable prices has been established and the remaining performance obligation in the contract with a customer does not have an observable price as it is uncertain or highly variable and, therefore, is not discernible.

Collectability

To assess collectability, we determine whether it is probable that we will collect substantially all of the consideration to which we are entitled in exchange for the goods and services transferred to the customer in accordance with the terms and conditions of the contract. In connection with these procedures, we evaluate the customer using internal and external information available, including, but not limited to, research and analysis of our credit history with the customer. Based on the nature of our transactions and historical trends, we determine whether our customers have the ability and intention to pay the amounts of consideration when they become due to identify potentially significant credit risk exposure.

Contract Combinations — Multiple Promised Goods and Services

Our contracts may include various performance obligations for promises to transfer multiple goods and services to a customer, especially since our Games and FinTech businesses may enter into multiple agreements with the same customer that meet the criteria to be combined for accounting purposes under ASC 606. When this occurs, a SSP will be determined for each performance obligation in the combined arrangement and the consideration allocated between the respective performance obligations. We use our judgment to analyze the nature of the promises made and determine whether each is distinct or should be combined with other promises in the contract based on the level of integration and interdependency between the individual deliverables.

Disaggregation of Revenues

We disaggregate revenues based on the nature and timing of the cash flows generated by such revenues as presented in "Note 18 — Segment Information."

Outbound Freight Costs

Upon transferring control of goods to a customer, the shipping and handling costs in connection with sale transactions are accounted for as fulfillment costs and included in cost of revenues.

Costs to Acquire a Contract with a Customer

We typically incur incremental costs to acquire customer contracts in the form of sales commission expenses. We evaluate those acquisition costs for groups of contracts with similar characteristics, based on the nature of the transactions. The incremental costs to acquire customer contracts identified would be amortized within one year and, as a result, we elected to utilize the practical expedient set forth in ASC 340 ("Contract Costs - Incremental Costs of Obtaining a Contract") to expense these amounts as incurred.

Contract Balances

Since our contracts may include multiple performance obligations, there is often a timing difference between cash collections and the satisfaction of such performance obligations and revenue recognition. Such arrangements are evaluated to determine whether contract assets and liabilities exist. We generally record contract assets when the timing of cash collections differs from when revenue is recognized due to contracts containing specific performance obligations that are required to be met prior to a customer being billed. We generally record contract liabilities when cash is collected in advance of us satisfying performance obligations, including those that are satisfied over a period of time.

The following table summarizes our contract assets and contract liabilities arising from contracts with customers:

		Three Months Ended March 31, 2019
Contract assets [1]		
Balance at January 1	$	11,310
Balance at March 31		14,098
Increase	$	2,788
Contract liabilities [2]		
Balance at January 1	$	15,470
Balance at March 31		24,350
Increase	$	8,880

(1) Current portion of contract assets is included within trade and other receivables, net, and non-current portion is included within other receivables in our Balance Sheets.

(2) Current portion of contract liabilities is included within accounts payable and accrued expenses, and non-current portion is included within other accrued expenses and liabilities in our Balance Sheets.

We recognized approximately $6.1 million in revenue that was included in the beginning contract liability balance during the three months ended March 31, 2019 .

Games Revenues

Our Games products and services include commercial products, such as Native American Class II products and other bingo products, Class III products, video lottery terminals, accounting and central determinant systems, business-to-consumer and business-to-business interactive activities, and other back office systems. We conduct our Games segment business based on results generated from the following major revenue streams: (a) Gaming Operations; (b) Gaming Equipment and Systems; and (c) Gaming Other.

Gaming Operations

Games revenues are primarily generated by our gaming operations under placement, participation, and development arrangements, in which we provide our customers with player terminals, including *TournEvent* ® terminals that allow operators to switch from in-revenue gaming to out-of-revenue tournaments, player terminal-content licenses, local-area progressive machines, and back-office equipment, collectively referred to herein as leased gaming equipment. We evaluate the recognition of lease revenues based on criteria set forth in ASC 842. Generally, under these arrangements, we retain ownership of the machines installed at customer facilities. We receive recurring revenue based on a percentage of the net win per day generated by the leased gaming equipment or a fixed daily fee. Revenues from lease participation or daily fee arrangements are considered both realizable and earned at the end of each gaming day. Gaming operations revenues generated by leased gaming equipment deployed at sites under development

or placement fee agreements give rise to contract rights, which are amounts recorded to intangible assets for dedicated floor space resulting from such agreements. The gaming operations revenues generated by these arrangements are reduced by the accretion of contract rights, which represents the related amortization of the contract rights recorded in connection with those agreements. Gaming operations lease revenues accounted for under ASC 842 are generally short-term in nature with payment terms ranging from 30 to 90 days. We recognized $ 33.8 million and $ 33.3 million in lease revenues for the three months ended March 31, 2019 and 2018, respectively.

Gaming operations revenues include amounts generated by Wide Area Progressive ("WAP") systems, which are recognized under ASC 606. WAP consists of linked slot machines located in multiple casino properties that are connected to a central system. WAP-based gaming machines have a progressive jackpot we administer that increases with every wager until a player wins the top award combination. Casino operators pay us a percentage of the coin-in (the total amount wagered), a percentage of net win, or a combination of both for services related to the design, assembly, installation, operation, maintenance, administration, and marketing of the WAP systems. The gaming operations revenues with respect to WAP machines comprise a separate performance obligation and are recognized over time based on the amount expected to be received with any variability being resolved in the reporting period. These arrangements are generally short-term in nature with a majority of invoices payable within 30 to 90 days. Such revenues are presented in the Statements of Income net of the jackpot expense, which is comprised of incremental amounts funded by a portion of the coin-in from players. At the time a jackpot is won by a player, an additional jackpot expense is recorded with respect to the base seed amount required to fund the minimum level required by the respective WAP arrangement with the casino operator.

Gaming operations revenues also include amounts received in connection with our relationship with the New York State Gaming Commission to provide an accounting and central determinant system for the VLTs in operation at licensed State of New York gaming facilities. Pursuant to our agreement with the New York State Gaming Commission, we receive a portion of the network-wide net win (generally, cash-in less prizes paid) per day in exchange for provision and maintenance of the central determinant system, and we record revenues in accordance with ASC 606. We also provide central determinant system technology to Native American tribes in other licensed jurisdictions for which we receive a portion of the revenue generated from the VLTs connected to the system. These arrangements are generally short-term in nature with payments due monthly.

Gaming operations revenues also include amounts generated by our Interactive offering comprised of business-to-consumer ("B2C") and business-to-business ("B2B") activities. B2C relates to games offered directly to consumers to play with virtual currency which can be purchased through our web and mobile applications. Control transfers and we recognize revenues in accordance with ASC 606 from player purchases of virtual currency as it is consumed for game play, which is based on a historical data analysis. B2B relates to games offered to the online business partners, including social casinos and regulated real money casinos, who then offer the games to consumers. Our B2B arrangements primarily provide access to our game content and revenue is recognized in accordance with ASC 606 as the control transfers upon the online business partners' daily access to such content based on either a flat fee or revenue share arrangements with the social casinos and regulated real money casinos.

Gaming Equipment and Systems

Gaming equipment and systems revenues are accounted for under ASC 606 and are derived from the sale of some combination of: (a) gaming equipment and player terminals, including *TournEvent* ® terminals that allow operators to switch from in-revenue gaming to out-of-revenue tournaments; (b) game content; (c) license fees; and (d) ancillary equipment. Such arrangements are predominately short-term in nature with payment terms ranging from 30 to 180 days with certain agreements providing for extended payment terms, ranging from 12 to 24 months. Each contract containing extended payment terms over 12 months is evaluated for the presence of a financing component, and for the arrangements in which the financing component is determined to be significant to the contact, the transaction price is adjusted for the time value of money. Generally, our contracts with customers do not contain a financing component that has been determined to be significant to the contract. Performance obligations for gaming equipment and systems arrangements include gaming equipment, player terminals, content, system software, license fees, ancillary equipment, or various combinations thereof. Gaming equipment and systems revenues are recognized at a point in time when control of the promised goods and services transfers to the customer, which is generally upon shipment or delivery pursuant to the terms of the contract. The performance obligations are generally satisfied at the same time or within a short period of time.

Gaming Other

Gaming other revenues consist of amounts generated by our *TournEvent of Champions* ® national tournament that allows winners of local and regional tournaments throughout the year to participate in a national tournament that results in the determination of a final champion. Such revenues are accounted for under ASC 606. As the customer simultaneously receives and consumes the benefits of our performance as it occurs, revenues are recognized as earned over a period of time using an output method depicting the transfer of control to the customer. These arrangements are generally short-term in nature with payment terms ranging from 30 to 90 days.

FinTech Revenues

Cash Access Services

Cash access services revenues are accounted for under ASC 606 and are generally comprised of the following distinct performance obligations: cash advance, ATM, and check services. We do not control the cash advance and ATM services provided to a customer and, therefore, we are acting as an agent whose performance obligation is to arrange for the provision of these services. Our cash access services involve the movement of funds between the various parties associated with cash access transactions and give rise to settlement receivables and settlement liabilities, both of which are settled in days following the transaction.

Cash advance revenues are comprised of transaction fees assessed to gaming patrons in connection with credit card cash access and POS debit card cash access transactions. Such fees are primarily based on a combination of a fixed amount plus a percentage of the face amount of the credit card cash access or POS debit card cash access transaction amount. In connection with these types of transactions, we report certain direct costs incurred as reductions to revenues on a net basis, which generally include: (a) commission expenses payable to casino operators; (b) interchange fees payable to the network associations; and (c) processing and related costs payable to other third party partners.

ATM revenues are primarily comprised of transaction fees in the form of cardholder surcharges assessed to gaming patrons in connection with ATM cash withdrawals at the time the transactions are authorized and reverse interchange fees paid to us by the patrons' issuing banks. The cardholder surcharges assessed to gaming patrons in connection with ATM cash withdrawals are currently a fixed dollar amount and not a percentage of the transaction amount. In connection with these types of transactions, we report certain direct costs incurred as reductions to revenues on a net basis, which generally include: (a) commission expenses payable to casino operators; (b) interchange fees payable to the network associations; and (c) processing and related costs payable to other third party partners.

Check services revenues are principally comprised of check warranty revenues and are generally based upon a percentage of the face amount of checks warranted. These fees are paid to us by gaming establishments.

For cash access services arrangements, since the customer simultaneously receives and consumes the benefits as the performance obligations occur, we recognize revenues as earned over a period of time using an output method depicting the transfer of control to the customer based on variable consideration, such as volume of transactions processed with variability generally resolved in the reporting period.

Equipment

Equipment revenues are derived from the sale of our cash access kiosks and related equipment and are accounted for under ASC 606. Revenues are recognized at a point in time when control of the promised goods and services transfers to the customer generally upon shipment or delivery pursuant to the terms of the contract. These sales contracts are generally short-term in nature with payment terms ranging from 30 to 90 days.

In addition, equipment revenues are derived from the sale of our loyalty kiosks and related equipment and are accounted for under ASC 606. Revenues are recognized at a point in time when control of the promised goods and services transfers to the customer generally upon installation and customer acceptance based on connectivity to a casino management system pursuant to the terms of the contract. These sales contracts are generally short-term in nature with payment terms ranging from 30 to 90 days.

Information Services and Other

Information services and other revenues are accounted for under ASC 606 and include amounts derived from our cash access, kiosk, compliance, and loyalty related revenue streams from the sale of: (a) software licenses, software subscriptions, professional services, and certain other ancillary fees; (b) service-related fees associated with the sale, installation, and maintenance of equipment directly to our customers under contracts, which are generally short-term in nature with payment terms ranging from 30 to 90 days, secured by the related equipment; (c) credit worthiness-related software subscription services that are based upon either a flat monthly unlimited usage fee or a variable fee structure driven by the volume of patron credit histories generated; and (d) ancillary marketing, database, and Internet-based gaming-related activities.

Our software represents a functional right-to-use license, and the revenues are recognized as earned at a point in time. Subscription services are recognized over a period of time using an input method based on time elapsed as we transfer the control ratably by providing a stand-ready service. Professional and other services revenues are recognized over a period of time using an input method based on time elapsed as services are provided, thereby reflecting the transfer of control to the customer.

Restricted Cash

Our restricted cash primarily consists of: (a) deposits held in connection with a sponsorship agreement; (b) WAP-related restricted funds; and (c) Internet-related cash access activities. The current portion of restricted cash, which is included in prepaid expenses and other assets, was approximately $1.8 million and $1.5 million as of March 31, 2019 and December 31, 2018 , respectively. The non-current portion of restricted cash, which is included in other assets, was approximately $0.1 million as of March 31, 2019 and December 31, 2018 . The current portion of restricted cash was approximately $0.8 million and $0.9 million as of March 31, 2018 and December 31, 2017 , respectively. The non-current portion of restricted cash was approximately $0.1 million as of March 31, 2018 and December 31, 2017 .

Fair Values of Financial Instruments

The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value estimates are made at a specific point in time, based upon relevant market information about the financial instrument.

The carrying amount of cash and cash equivalents, settlement receivables, short-term trade and other receivables, settlement liabilities, accounts payable and accrued expenses approximate fair value due to the short-term maturities of these instruments. The fair value of the long-term trade and loans receivable is estimated by discounting expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit ratings and remaining maturities. As of March 31, 2019 and December 31, 2018 , the fair value of notes receivable, net approximated the carrying value due to contractual terms of trade and loans receivable generally being under 24 months. The fair value of our borrowings is estimated based on various inputs to determine a market price, such as: market demand and supply, size of tranche, maturity, and similar instruments trading in more active markets. The estimated fair value and outstanding balances of our borrowings are as follows (in thousands):

	Level of Hierarchy	Fair Value	Outstanding Balance
March 31, 2019			
Term loan	2	$ 801,622	$ 805,650
Senior unsecured notes	1	$ 389,063	$ 375,000
December 31, 2018			
Term loan	2	$ 784,479	$ 807,700
Senior unsecured notes	1	$ 354,863	$ 375,000

The term loan facility was reported at fair value using a Level 2 input as there were quoted prices in markets that were not considered active as of March 31, 2019 and December 31, 2018 . The senior unsecured notes were reported at fair value using a Level 1 input as there were quoted prices in markets that were considered active as of March 31, 2019 and December 31, 2018 .

Recent Accounting Guidance

Recently Adopted Accounting Guidance

In June 2018, the FASB issued ASU No. 2018-07, which expands the scope of Topic 718, Compensation — Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. The new standard became effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We adopted this guidance in the quarter ended March 31, 2019 . The adoption of this ASU did not have a material impact on our Financial Statements.

In February 2018, the FASB issued ASU No. 2018-02, which provides financial statement preparers with an option to reclassify stranded tax effects within accumulated other comprehensive income to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act of 2017 (or portion thereof) is recorded. The new standard became effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We adopted this guidance in the quarter ended March 31, 2019 . The adoption of this ASU did not have a material impact on our Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The guidance establishes a right-of-use (“ROU”) model that requires a lessee to record a lease ROU asset and a lease liability on the

balance sheet for all leases with terms longer than 12 months. We made an accounting policy election where leases that are 12 months or less and do not include an option to purchase the underlying asset are treated similarly to the operating lease accounting under ASC 840 and are not recorded on the balance sheet. For lessees, leases are classified as either financing or operating, with classification affecting the pattern of expense recognition in the income statement. For lessors, leases are classified as operating, sales-type, or direct financing with classification affecting the pattern of revenue and profit recognition in the income statement. In July 2018, the FASB issued ASU No. 2018-10 — Codification Improvements to Topic 842, Leases and ASU No. 2018-11 — Leases (Topic 842): Targeted Improvements. ASU No. 2018-10 affected narrow aspects of the guidance previously issued, and ASU No. 2018-11 provided a practical expedient for lessors on separating components of a contract and also included an additional optional transition relief methodology for adopting the new standard. In December 2018, the FASB issued ASU No. 2018-20 — Leases (Topic 842): Narrow-Scope Improvements for Lessors, which addressed the following issues facing lessors when applying the standard: sales taxes and other similar taxes collected from lessees, certain lessor costs paid directly by lessees, and recognition of variable payments for contracts with lease and non-lease components. The guidance requires an entity to adopt the new standard, as amended, under a modified retrospective application to each prior reporting period presented in the financial statements with the cumulative effect recognized at the beginning of the earliest comparative period. With the optional transition relief methodology available, entities had an opportunity to adopt the new lease standard retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment, with certain practical expedients available. Based on the guidance, we adopted the new standard effective January 1, 2019 and applied certain practical expedients offered in the aforementioned guidance, such as those that stated that the Company need not reassess: (a) whether expired or existing contracts contain leases, (b) the lease classification of expired or existing leases, or (c) initial direct costs for any existing leases. We have provided additional information with respect to the new guidance in “Note 3 — Leases.”

Recent Accounting Guidance Not Yet Adopted

In August 2018, the FASB issued ASU No. 2018-15, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period. We are currently evaluating the impact of adopting this guidance on our Financial Statements; however, we do not expect the impact to be material.

In June 2016, the FASB issued ASU No. 2016-13, which provides updated guidance on how an entity should measure credit losses on financial instruments. The new guidance replaces the current incurred loss measurement methodology with a lifetime expected loss measurement methodology. Subsequently, in November 2018 the FASB issued ASU No. 2018-19 which clarified that receivables arising from operating leases are not within the scope of Subtopic 326-20, but should rather be accounted for in accordance with Topic 842, Leases. The new standard and related amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. This guidance will be applied using a modified retrospective approach for the cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective and using a prospective approach for debt securities for which any other-than-temporary impairment had been recognized before the effective date. Early adoption is permitted for fiscal years beginning after December 15, 2018. We are currently evaluating the impact of adopting this guidance on our Financial Statements.

We do not anticipate that any other recently issued accounting guidance will have a significant effect on our consolidated financial statements.

3. LEASES

Management determines if a contract is or contains a lease at the inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an asset is predicated upon the notion that the lessee has both the right to (a) obtain substantially all of the economic benefits from the use of the asset, and (b) direct the use of the asset.

Operating lease ROU assets and liabilities are recognized based on the present value of minimum lease payments over the expected lease term at commencement date. Lease expense is recognized on a straight-line basis over the expected lease term. The Company’s lease arrangements have lease and non-lease components. For leases in which the Company is the lessee, the Company accounts for the lease components and non-lease components as a single lease component for the classes of underlying assets, primarily real estate that consists of buildings for office space and warehouses for manufacturing space. For leases in which the Company is the lessor, the Company accounts for the lease components and non-lease components as a single lease component (primarily electronic gaming machines (“EGMs”)).

Certain of our leases contain options to renew the agreements with terms that have the ability to extend the lease term from a range of approximately 1 to 15 years. The exercise of lease renewal options is generally at our sole discretion. The depreciable life of leased assets and leasehold improvements are limited by the expected term of such assets, unless there is a transfer of title or purchase option reasonably certain to be exercised.

Lessee

We enter into operating lease agreements for real estate purposes that generally consist of buildings for office space and warehouses for manufacturing space. Certain of our lease agreements consist of rental payments that are periodically adjusted for inflation. Our lease agreements do not contain material residual value guarantees or material restrictive covenants. Our lease agreements do not generally provide explicit rates of interest; therefore, we use our incremental borrowing rate based on the information available at commencement date to determine the present value of lease payments. Leases with an expected term of 12 months or less are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

Supplemental balance sheet information related to our operating leases is as follows (in thousands):

	Classification on our Balance Sheets	March 31, 2019
Assets		
Operating lease ROU assets	Other assets, noncurrent	$ 14,104
Liabilities		
Current operating lease liabilities	Accounts payable and accrued expenses	$ 5,356
Non-current operating lease liabilities	Other accrued expenses and liabilities	$ 12,604

Supplemental cash flow information related to leases was as follows (in thousands):

	Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities	$ 1,434
Operating lease ROU assets obtained in exchange for lease obligations [(1)]	$ 15,132

(1) The amount includes approximately $14.1 million of operating lease ROU assets obtained in exchange for existing lease obligations and approximately $1.0 million of operating lease ROU assets obtained in exchange for new lease obligations entered into during the three months ended March 31, 2019 , excluding amortization for the period.

Other information related to lease terms and discount rates is as follows:

	March 31, 2019
Weighted average remaining lease term (in years)	3.3
Weighted average discount rate	5.25%

Components of lease expense are as follows (in thousands):

	Three Months Ended March 31, 2019
Lease Cost:	
Operating lease cost	$ 944
Variable lease cost	$ 439

Maturities of lease liabilities are summarized as follows as of March 31, 2019 (in thousands):

Year ending December 31,	Amount
2019 (excluding the three months ended March 31, 2019)	$ 4,613
2020	6,273
2021	4,953
2022	2,711
2023	1,011
Thereafter	—
Total future minimum lease payments	$ 19,561
Amount representing interest	1,601
Present value of future minimum lease payments	$ 17,960
Current operating lease obligations	5,356
Long-term lease obligations	$ 12,604

As previously disclosed in our 2018 Annual Report on Form 10-K and under the previous lease accounting, maturities of lease liabilities were as follows as of December 31, 2018 (in thousands):

Year ending December 31,	Amount
2019	$ 5,570
2020	5,680
2021	4,598
2022	2,799
2023	1,074
Thereafter	—
Total future minimum lease payments	$ 19,721

Lessor

The Company generates lease revenues primarily from its gaming operations activities. Under these arrangements, we retain ownership of the machines installed at customer facilities. We receive recurring revenue based on a percentage of the net win per day generated by the leased gaming equipment or a fixed daily fee. Revenues from lease participation or daily fee arrangements are considered both realizable and earned at the end of each gaming day. Certain or our leases have terms and conditions of options for a lessee to purchase the underlying asset.

The cost of property and equipment the Company is leasing to third parties as of March 31, 2019 is $183.7 million which includes accumulated depreciation of $106.5 million .

4. BUSINESS COMBINATIONS

We account for business combinations in accordance with ASC 805, which requires that the identifiable assets acquired and liabilities assumed be recorded at their estimated fair values on the acquisition date separately from goodwill, which is the excess of the fair value of the purchase price over the fair values of these identifiable assets and liabilities. We include the results of operations of an acquired business as of the acquisition date.

Atrient, Inc.

On March 8, 2019, we acquired certain assets of Atrient, Inc. ("Atrient," the "Seller"), a privately held company that develops and distributes hardware and software applications to gaming operators to enhance gaming patron loyalty, pursuant to an asset purchase agreement. This acquisition includes existing contracts with gaming operators, technology, and intellectual property that allow us to provide gaming operators a self-service enrollment and loyalty card printing kiosk, a mobile application to offer a gaming operator's patrons additional flexibility in accessing casino promotions, and a marketing platform that manages and delivers a gaming operator's marketing programs through these patron interfaces. This acquisition expands our financial technology solutions offerings within our FinTech segment. Under the terms of the asset purchase agreement, we paid the Seller $20 million at the closing of the transaction and will pay an additional $10 million one year following the closing and another $10 million two years following the date of closing. In addition, we expect that an additional $10 million in contingent consideration will be earned by the Seller based upon the achievement of certain revenue targets over the first two years post-closing. We expect the total purchase price for this acquisition, inclusive of the contingent consideration, to be approximately $50 million . The acquisition did not have a significant impact on our results of operations or financial condition.

The total purchase consideration for Atrient was as follows (in thousands, at fair value):

	Amount	
Purchase consideration		
Cash consideration paid at closing	$	20,000
Cash consideration to be paid in subsequent periods		18,528
Total cash consideration		38,528
Contingent consideration		9,028
Total purchase consideration	$	47,556

The transaction was accounted for using the acquisition method of accounting, which requires, among other things, the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. The excess of the purchase price over those fair values was recorded as goodwill, which will be amortized over a period of 15 years for tax purposes. The goodwill recognized is attributable primarily to the income potential from the expansion of our footprint in the gaming space by enhancing our existing financial technology solution portfolio to add new touch-points for gaming patrons at customer locations and a new player loyalty and marketing-focused business line, assembled workforce, and other strategic benefits.

The estimates and assumptions used include the projected timing and amount of future cash flows and discount rates reflecting risk inherent in the future cash flows. The estimated fair values of assets acquired and liabilities assumed and resulting goodwill are subject to adjustment as the Company finalizes its purchase price accounting. The significant items for which a final fair value has not been determined include, but are not limited to: the valuation and estimated useful lives of intangible assets, deferred and unearned revenues, and deferred income taxes. We do not expect our fair value determinations to materially change; however, there may be differences between the amounts recorded at March 31, 2019 and the final fair value analysis, which we expect to complete no later than the first quarter of 2020.

The information below reflects the preliminary amounts of identifiable assets acquired and liabilities assumed as of the closing date of the transaction (in thousands):

	Amount
Current assets	$ 2,896
Property, equipment and leased assets, net	8
Operating lease ROU assets	239
Goodwill	32,897
Other intangible assets, net	14,200
Total assets	50,240
Contract liabilities	(2,445)
Current operating lease liabilities	(105)
Non-current operating lease liabilities	(134)
Total liabilities	(2,684)
Net assets acquired	$ 47,556

Trade receivables acquired of approximately $1.8 million were short-term in nature and considered to be collectible, and therefore, the carrying amounts of these assets represented their fair values. Inventory acquired of approximately $1.0 million consisted of raw materials and finished goods and was fair valued based on the estimated net realizable value of these assets. Property, equipment, and leased assets acquired were not material in size or scope, and the carrying amounts of these assets represented their fair values. The operating lease ROU assets of approximately $0.2 million were recorded at their fair values based on the present value of future lease payments discounted by utilizing our incremental borrowing rate.

Other intangible assets acquired of approximately $14.2 million were comprised of customer contracts and developed technology. The fair value of customer contracts of approximately $9.2 million was determined by applying the income approach utilizing the excess earnings methodology with a discount rate utilized of 17% . The fair value of developed technology of approximately $5.0 million was determined by applying the income approach utilizing the relief from royalty methodology with a royalty rate of 15% and a discount rate utilized of 18% .

The following table summarizes acquired intangible assets (dollars in thousands):

	Useful Life (Years)	Estimated Fair Value
Other Intangible Assets		
Developed technology	3	$ 5,000
Customer contracts	5	9,200
Total other intangible assets		$ 14,200

The selected financial data with respect to the revenue and earnings on a pro forma consolidated basis as if the acquisition of Atrient occurred on January 1, 2018 has been omitted as it was impracticable to make the necessary adjustments to prepare the acquired entity's financial statements in accordance with GAAP for the year ended December 31, 2018 in a timely manner as the acquired entity was a privately held organization for which financial statements were prepared under a cash basis of accounting.

The financial results included in our Statements of Income since the acquisition date and through March 31, 2019 reflected revenues of approximately $0.5 million and net income of approximately $0.2 million , including acquisition-related costs of approximately $0.1 million .

5. FUNDING AGREEMENTS

Commercial Cash Arrangements

We have commercial arrangements with third party vendors to provide cash for certain of our ATMs. For the use of these funds, we pay a cash usage fee on either the average daily balance of funds utilized multiplied by a contractually defined cash usage rate or the amounts supplied multiplied by a contractually defined cash usage rate. These cash usage fees, reflected as interest expense within the Statements of Income, were approximately $1.7 million for the three months ended March 31, 2019 and March 31, 2018 , respectively. We are exposed to interest rate risk to the extent that the applicable rates increase.

Under these agreements, the currency supplied by third party vendors remains their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected in our Balance Sheets. The outstanding balances of ATM cash utilized by us from the third parties were approximately $267.0 million and $224.7 million as of March 31, 2019 and December 31, 2018 , respectively.

Our primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, is with Wells Fargo, N.A. ("Wells Fargo"). Wells Fargo provides us with cash in the maximum amount of $300 million with the ability to increase the amount by $75 million over a 5 -day period for holidays, such as the period around New Year's Day. The term of the agreement expires on June 30, 2021 and will automatically renew for additional one-year periods unless either party provides a 90 -day written notice of its intent not to renew.

We are responsible for any losses of cash in the ATMs under this agreement, and we self-insure for this risk. We incurred no material losses related to this self-insurance for the three months ended March 31, 2019 and 2018 .

Site-Funded ATMs

We operate ATMs at certain customers' gaming establishments where the gaming establishment provides the cash required for the ATM's operational needs. We are required to reimburse the customer for the amount of cash dispensed from these site-funded ATMs. The site-funded ATM liability included within settlement liabilities in the accompanying Balance Sheets was approximately $245.1 million and $249.6 million as of March 31, 2019 and December 31, 2018 , respectively.

Everi-Funded ATMs

We enter into agreements with customers for certain of our Canadian ATMs whereby we provide the cash required to operate the ATMs. We had supplied approximately $2.4 million and $4.8 million of our cash for these ATMs as of March 31, 2019 and December 31, 2018 , respectively, which represents an outstanding balance under such agreements at the end of the period. Such amounts are reported within the settlement receivables line of our Balance Sheets.

Prefunded Cash Access Agreements

Due to certain regulatory requirements, some international gaming establishments require prefunding of cash to cover all outstanding settlement amounts in order for us to provide cash access services to their properties. We enter into agreements with these operators for which we supply our cash access services for their properties. Under these agreements, we maintain sole discretion to either continue or cease operations as well as discretion over the amounts prefunded to the properties and may request amounts to be refunded to us, with appropriate notice to the operator, at any time. The initial prefunded amounts and subsequent amounts from the settlement of transactions are deposited into a bank account that is to be used exclusively for cash access services, and we maintain the right to monitor all transaction activity in that account. The total amount of prefunded cash outstanding was approximately $6.2 million and $6.1 million at March 31, 2019 and December 31, 2018 , respectively, and is included in the prepaid expenses and other assets line on our Balance Sheets.

6. TRADE AND OTHER RECEIVABLES

Trade and loans receivables represent short-term credit granted to customers as well as long-term loans receivable on our games, equipment, and compliance products. Trade and loans receivables generally do not require collateral. The balance of trade and loans receivables consists of outstanding balances owed to us by gaming establishments. Other receivables include income tax receivables and other miscellaneous receivables.

The balance of trade and other receivables consisted of the following (in thousands):

	At March 31, 2019	At December 31, 2018
Trade and other receivables, net		
Games trade and loans receivables	$ 57,080	$ 53,011
FinTech trade and loans receivables	24,138	18,890
Other receivables	3,412	1,333
Total trade and other receivables, net	84,630	73,234
Non-current portion of receivables		
Games trade and loans receivables	(1,785)	(2,922)
FinTech trade and loans receivables	(10,512)	(5,925)
Total non-current portion of receivables	(12,297)	(8,847)
Total trade and other receivables, current portion	$ 72,333	$ 64,387

At least quarterly, we evaluate the collectability of outstanding balances and establish a reserve for the amount of the expected losses on our receivables. The allowance for doubtful accounts for trade receivables was approximately $6.3 million as of March 31, 2019 and $6.4 million as of December 31, 2018 , respectively, and included approximately $3.3 million and $3.2 million of check warranty reserves, respectively. The provision for doubtful customer accounts receivable is generally included within operating expenses in the Statements of Income.

7. INVENTORY

Our inventory primarily consists of component parts as well as work-in-progress and finished goods. The cost of inventory includes cost of materials, labor, overhead, and freight. The inventory is stated at the lower of cost or net realizable value and accounted for using the first in, first out method.

Inventory consisted of the following (in thousands):

	At March 31, 2019	At December 31, 2018
Inventory		
Component parts, net of reserves of $1,695 and $1,468 at March 31, 2019 and December 31, 2018, respectively	$ 20,886	$ 23,197
Work-in-progress	1,309	280
Finished goods	2,602	926
Total inventory	$ 24,797	$ 24,403

8. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets include the balance of prepaid expenses, deposits, debt issuance costs on our Revolving Credit Facility (defined herein), restricted cash and other assets. The current portion of these assets is included in prepaid expenses and other assets and the non-current portion is included in other assets, both of which are contained within the Balance Sheets.

The balance of the current portion of prepaid expenses and other assets consisted of the following (in thousands):

	At March 31, 2019	At December 31, 2018
Prepaid expenses and other assets		
Prepaid expenses	$ 10,810	$ 8,351
Deposits	8,268	8,241
Other	3,215	3,667
Total prepaid expenses and other assets	$ 22,293	$ 20,259

The balance of the non-current portion of other assets consisted of the following (in thousands):

	At March 31, 2019	At December 31, 2018
Other assets		
Operating lease ROU assets [1]	$ 14,104	$ —
Prepaid expenses and deposits	6,683	5,289
Debt issuance costs of revolving credit facility	606	654
Other	277	309
Total other assets	$ 21,670	$ 6,252

(1) Refer to "Note 3 — Leases" for discussion on operating lease ROU assets recorded on the Balance Sheets as a result of the implementation of ASC 842.

9. PROPERTY, EQUIPMENT AND LEASED ASSETS

Property, equipment and leased assets consist of the following (dollars in thousands):

		At March 31, 2019			At December 31, 2018		
	Useful Life (Years)	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Property, equipment and leased assets							
Rental pool - deployed	2-4	$ 183,669	$ 106,488	$ 77,181	$ 183,309	$ 105,038	$ 78,271
Rental pool - undeployed	2-4	30,285	21,026	9,259	23,825	14,680	9,145
FinTech equipment	3-5	27,417	21,731	5,686	27,285	21,000	6,285
Leasehold and building improvements	Lease Term	11,870	7,374	4,496	11,857	6,938	4,919
Machinery, office and other equipment	2-5	46,439	29,994	16,445	46,322	28,654	17,668
Total		$ 299,680	$ 186,613	$ 113,067	$ 292,598	$ 176,310	$ 116,288

Depreciation expense related to property, equipment and leased assets totaled approximately $14.8 million and $12.8 million for the three months ended March 31, 2019 and 2018, respectively.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the purchase price over the identifiable tangible and intangible assets acquired plus liabilities assumed arising from business combinations. The balance of goodwill was approximately $673.4 million at March 31, 2019 and $640.5 million at December 31, 2018 . Change in the goodwill amount of approximately $32.9 million was attributable to the acquisition of Atrient.

In accordance with ASC 350 ("Intangibles-Goodwill and Other"), we test goodwill at the reporting unit level, which is identified as an operating segment or one level below, for impairment on an annual basis and between annual tests if events and circumstances indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount.

We test for impairment annually on a reporting unit basis at the beginning of our fourth fiscal quarter, or more often under certain circumstances. The annual impairment test is completed using either: a qualitative Step 0 assessment based on reviewing relevant events and circumstances; or a quantitative Step 1 assessment, which determines the fair value of the reporting unit using an income approach that discounts future cash flows based on the estimated future results of our reporting units and a market approach that compares market multiples of comparable companies to determine whether or not any impairment exists. If the fair value of a reporting unit is less than its carrying amount, we will use the Step 1 assessment to determine the impairment.

There was no impairment identified for our goodwill for the three months ended March 31, 2019 and 2018 .

Other Intangible Assets

Other intangible assets consist of the following (dollars in thousands):

	Weighted Average Remaining Life (Years)	At March 31, 2019			At December 31, 2018		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Other intangible assets							
Contract rights under placement fee agreements	4	$ 57,441	$ 14,300	$ 43,141	$ 57,440	$ 12,178	$ 45,262
Customer contracts	6	60,375	46,816	13,559	51,175	46,162	5,013
Customer relationships	8	231,100	89,860	141,240	231,100	84,619	146,481
Developed technology and software	2	289,352	198,262	91,090	277,243	190,886	86,357
Patents, trademarks and other	4	29,046	25,121	3,925	29,168	24,884	4,284
Total		$ 667,314	$ 374,359	$ 292,955	$ 646,126	$ 358,729	$ 287,397

Amortization expense related to other intangible assets was approximately $16.3 million for the three months ended March 31, 2019 and 2018, respectively.

We evaluate our other intangible assets for potential impairment in connection with our quarterly review process.

We enter into placement fee agreements to secure a long-term revenue share percentage and a fixed number of player terminal placements in a gaming facility, for which the funding under placement fee agreements is not reimbursed. In return for the fees under these agreements, each facility dedicates a percentage of its floor space, or an agreed upon unit count, for the placement of our EGMs over the term of the agreement, generally 12 to 83 months, and we receive a fixed percentage or flat fee of those machines' hold per day. Certain of the agreements contain EGM performance standards that could allow the respective facility to reduce a portion of our guaranteed floor space.

Placement fees and amounts advanced in excess of those to be reimbursed by the customer for real property and land improvements are allocated to intangible assets and are generally amortized over the term of the contract, which is recorded as a reduction of revenue generated from the facility. In the past we have, and in the future, we may, by mutual agreement, amend these agreements to reduce our floor space at the facilities. Any proceeds received for the reduction of floor space are first applied against the intangible asset for that particular placement fee agreement, if any, and the remaining net book value of the intangible asset is prospectively amortized on a straight-line method over the remaining estimated useful life.

We paid approximately $5.6 million in placement fees, including $0.3 million of imputed interest, to a customer for the three months ended March 31, 2019 , and approximately $5.6 million in placement fees, including $1.0 million of imputed interest, to a customer for the three months ended March 31, 2018 .

11. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following table presents our accounts payable and accrued expenses (in thousands):

	At March 31, 2019	At December 31, 2018
Accounts payable and accrued expenses		
Trade accounts payable	$ 85,383	$ 70,796
Deferred and unearned revenues	20,258	12,887
Placement fees [1]	11,164	16,746
Accrued interest	8,652	1,374
Payroll and related expenses	7,408	15,055
Cash access processing and related expenses	6,931	4,160
Other	5,773	6,303
Operating lease liabilities [2]	5,356	—
Accrued taxes	1,791	1,917
Total accounts payable and accrued expenses	$ 152,716	$ 129,238

(1) The total outstanding balance of the placement fee liability was approximately $11.2 million and $16.7 million as of March 31, 2019 and December 31, 2018 , respectively. The placement fee liability was considered current due to the remaining obligation being due within twelve months of March 31, 2019 and December 31, 2018 .

(2) Refer to “Note 3 — Leases” for discussion on operating lease liabilities recorded on the Balance Sheets as a result of the implementation of ASC 842.

12. LONG-TERM DEBT

The following table summarizes our outstanding indebtedness (in thousands):

	At March 31, 2019	At December 31, 2018
Long-term debt		
Senior secured term loan	$ 805,650	$ 807,700
Senior unsecured notes	375,000	375,000
Total debt	1,180,650	1,182,700
Debt issuance costs and discount	(18,643)	(19,484)
Total debt after debt issuance costs and discount	1,162,007	1,163,216
Current portion of long-term debt	(8,200)	(8,200)
Long-term debt, less current portion	$ 1,153,807	$ 1,155,016

Refinancing

On May 9, 2017 (the "Closing Date"), Everi Payments, as borrower, and Holdings entered into a credit agreement with the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender, letter of credit issuer, sole lead arranger and sole book manager (amended as described below, the "Credit Agreement"). The Credit Agreement provides for: (a) a $35.0 million , five -year senior secured revolving credit facility (the "Revolving Credit Facility"); and (b) an $820.0 million , seven -year senior secured term loan facility (the "Term Loan Facility," and together with the Revolving Credit Facility, the "Credit Facilities"). The fees associated with the Credit Facilities included discounts of approximately $4.1 million and debt issuance costs of approximately $15.5 million . All borrowings under the Revolving Credit Facility are subject to the satisfaction of customary conditions, including the absence of defaults and the accuracy of representations and warranties.

The proceeds from the Term Loan Facility incurred on the Closing Date were used to: (a) refinance: (i) Everi Payments' existing credit facility with an outstanding balance of approximately $462.3 million with Bank of America, N.A., as administrative agent, collateral agent, swing line lender and letter of credit issuer, Deutsche Bank Securities Inc., as syndication agent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc., as joint lead arrangers and joint book managers (the "Prior Credit Facility"); and (ii) Everi Payments' 7.25% Senior Secured Notes due 2021 in the aggregate original principal amount of $335.0 million (the "Refinanced Secured Notes"); and (b) pay related transaction fees and expenses.

In connection with the refinancing, we recorded a non-cash charge of approximately $14.6 million during the second quarter of 2017 related to the unamortized deferred financing fees and discounts related to the extinguished term loan under the Prior Credit Facility and the redeemed Refinanced Secured Notes. No prepayment penalties were incurred.

On November 13, 2017 (the "Repricing Closing Date"), we entered into an amendment to the Credit Agreement (the "First Amendment") which, among other things, reduced the interest rate on the approximately $818.0 million then outstanding balance of the Term Loan Facility, but did not change the maturity dates for the Term Loan Facility or the Revolving Credit Facility or the financial covenants or other debt repayments terms set forth in the Credit Agreement. We incurred approximately $3.0 million of debt issuance costs and fees associated with the repricing of the Term Loan Facility.

On May 17, 2018, we entered into a Second Amendment (the "Second Amendment") to the Credit Agreement, which reduced the interest rate on the $813.9 million outstanding balance of the senior secured term loan under the Credit Agreement by 50 basis points to the London Interbank Offered Rate ("LIBOR") + 3.00% from LIBOR + 3.50% with the LIBOR floor unchanged at 1.00% . The senior secured term loan under the Credit Agreement will be subject to a prepayment premium of 1.00% of the principal amount repaid for any voluntary prepayment or mandatory prepayment with proceeds of debt that has a lower effective yield than the repriced term loan or any amendment to the repriced term loan that reduces the interest rate thereon, in each case, to the extent occurring within six months of the effective date of the Second Amendment. The maturity date for the Credit Agreement remains May 9, 2024, and no changes were made to the financial covenants or other debt repayment terms. We incurred approximately $1.3 million of debt issuance costs and fees associated with the repricing of the Term Loan Facility.

Credit Facilities

The Term Loan Facility matures seven years after the Closing Date and the Revolving Credit Facility matures five years after the Closing Date. The Revolving Credit Facility is available for general corporate purposes, including permitted acquisitions, working capital and the issuance of letters of credit.

The interest rate per annum applicable to loans under the Revolving Credit Facility is, at Everi Payments' option, the base rate or the Eurodollar Rate (defined to be LIBOR or a comparable or successor rate) (the "Eurodollar Rate") plus, in each case, an applicable margin. The interest rate per annum applicable to the Term Loan Facility also is, at Everi Payments' option, the base rate or the Eurodollar Rate plus, in each case, an applicable margin. The Eurodollar Rate is reset at the beginning of each selected interest period based on the Eurodollar Rate then in effect; provided that, if the Eurodollar Rate is below zero , then such rate will be equal to zero plus the applicable margin. The base rate is a fluctuating interest rate equal to the highest of: (a) the prime lending rate announced by the administrative agent; (b) the federal funds effective rate from time to time plus 0.50% ; and (c) the Eurodollar Rate (after taking account of any applicable floor) applicable for an interest period of one month plus 1.00% . Prior to the effectiveness of the First Amendment on the Repricing Closing Date, the applicable margins for both the Revolving Credit Facility and the Term Loan Facility were: (a) 4.50% in respect of Eurodollar Rate loans, and (b) 3.50% in respect of base rate loans. The applicable margins for the Term Loan Facility from and after the effectiveness of the First Amendment on the Repricing Closing Date through the effectiveness of the Second Amendment were: (a) 3.50% in respect of Eurodollar Rate loans, and (b) 2.50% in respect of base rate loans. The applicable margins for the Term Loan Facility from and after the effectiveness of the Second Amendment are: (a) 3.00% in respect of Eurodollar Rate loans, and (b) 2.00% in respect of base rate loans.

Voluntary prepayments of the term loan and the revolving loans and voluntary reductions in the unused commitments are permitted in whole or in part, in minimum amounts as set forth in the Credit Agreement governing the Credit Facilities, with prior notice but without premium or penalty.

Subject to certain exceptions, the obligations under the Credit Facilities are secured by substantially all of the present and subsequently acquired assets of each of Everi Payments, Holdings and the subsidiary guarantors party thereto, including: (a) a perfected first priority pledge of all the capital stock of Everi Payments and each domestic direct, wholly owned material restricted subsidiary held by Holdings, Everi Payments or any such subsidiary guarantor; and (b) a perfected first priority security interest in substantially all other tangible and intangible assets of Holdings, Everi Payments, and such subsidiary guarantors (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, real property, intellectual property and the proceeds of the foregoing). Subject to certain exceptions, the Credit Facilities are unconditionally guaranteed by Holdings and such subsidiary guarantors.

The Credit Agreement governing the Credit Facilities contains certain covenants that, among other things, limit Holdings' ability, and the ability of certain of its subsidiaries, to incur additional indebtedness, sell assets or consolidate or merge with or into other companies, pay dividends or repurchase or redeem capital stock, make certain investments, issue capital stock of subsidiaries, incur liens, prepay, redeem or repurchase subordinated debt, and enter into certain types of transactions with its affiliates. The Credit Agreement governing the Credit Facilities also requires Holdings, together with its subsidiaries, to comply with a consolidated secured leverage ratio. At March 31, 2019 , our consolidated secured leverage ratio was 3.22 to 1.00 , with a maximum allowable ratio of 4.75 to 1.00 (which maximum allowable ratio is reduced to 4.50 to 1.00 as of December 31, 2019, 4.25 to 1.00 as of December 31, 2020, and 4.00 to 1.00 as of December 31, 2021 and each December 31 thereafter).

We were in compliance with the covenants and terms of the Credit Facilities as of March 31, 2019 .

Events of default under the Credit Agreement governing the Credit Facilities include customary events such as a cross-default provision with respect to other material debt. In addition, an event of default will occur if Holdings undergoes a change of control. This is defined to include the case where Holdings ceases to own 100% of the equity interests of Everi Payments, or where any person or group acquires a percentage of the economic or voting interests of Holdings' capital stock of 35% or more (determined on a fully diluted basis).

We are required to repay the Term Loan Facility in an amount equal to 0.25% per quarter of the initial aggregate principal, with the final principal repayment installment on the maturity date. Interest is due in arrears on each interest payment date applicable thereto and at such other times as may be specified in the Credit Agreement. As to any loan other than a base rate loan, the interest payment dates shall be the last day of each interest period applicable to such loan and the maturity date (provided, however, that if any interest period for a Eurodollar Rate loan exceeds three months , the respective dates that fall every three months after the beginning of such interest period shall also be interest payment dates). As to any base rate loan, the interest payment dates shall be last business day of each March, June, September and December and the maturity date.

For the three months ended March 31, 2019 , the Term Loan Facility had an applicable weighted average interest rate of 5.50% .

At March 31, 2019 , we had $805.7 million of borrowings outstanding under the Term Loan Facility and no borrowings outstanding under the Revolving Credit Facility. We had $35.0 million of additional borrowing availability under the Revolving Credit Facility as of March 31, 2019 .

Refinanced Senior Secured Notes

In connection with entering into the Credit Agreement, on May 9, 2017, Everi Payments redeemed in full all outstanding Refinanced Secured Notes in the aggregate principal amount of $335.0 million face value (plus accrued interest) of the Refinanced Secured Notes. As a result of the redemption, we recorded non-cash charges in the amount of approximately $1.7 million , which consisted of unamortized deferred financing fees of $0.2 million and discounts of $1.5 million . These fees were included in the total $14.6 million non-cash charge referred to above.

Senior Unsecured Notes

In December 2014, we issued $350.0 million in aggregate principal amount of 10.0% Senior Unsecured Notes due 2022 (the "2014 Unsecured Notes") under an indenture (as supplemented, the "2014 Notes Indenture"), dated December 19, 2014, between Everi Payments (as successor issuer) and Deutsche Bank Trust Company Americas, as trustee. The fees associated with the 2014 Unsecured Notes included original issue discounts of approximately $3.8 million and debt issuance costs of approximately $14.0 million . In December 2015, we completed an exchange offer in which all of the unregistered 2014 Unsecured Notes were exchanged for a like amount of 2014 Unsecured Notes that had been registered under the Securities Act of 1933.

In December 2017, we issued $375 million in aggregate principal amount of 7.50% Senior Unsecured Notes due 2025 (the "2017 Unsecured Notes") under an indenture (the "2017 Notes Indenture"), dated December 5, 2017 , among Everi Payments (as issuer), Holdings and certain of its direct and indirect domestic subsidiaries as guarantors, and Deutsche Bank Trust Company Americas, as trustee. Interest on the 2017 Unsecured Notes accrues at a rate of 7.50% per annum and is payable semi-annually in arrears on each June 15 and December 15, commencing on June 15, 2018. The 2017 Unsecured Notes will mature on December 15, 2025 . We incurred approximately $6.1 million of debt issuance costs and fees associated with the issuance of the 2017 Unsecured Notes.

On December 5, 2017, together with the issuance of the 2017 Unsecured Notes, Everi Payments satisfied and discharged the 2014 Notes Indenture relating to the 2014 Unsecured Notes. To effect the satisfaction and discharge, Everi Payments issued an unconditional notice of redemption to Deutsche Bank Trust Company Americas, as trustee, of the redemption in full on January 15, 2018 (the "Redemption Date") of all outstanding 2014 Unsecured Notes under the terms of the 2014 Notes Indenture. In addition, using the proceeds from the sale of the 2017 Unsecured Notes and cash on hand, Everi Payments irrevocably deposited with the trustee funds sufficient to pay the redemption price of the 2014 Unsecured Notes of 107.5% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the Redemption Date (the "Redemption Price"), and irrevocably instructed the trustee to apply the deposited money toward payment of the Redemption Price for the 2014 Unsecured Notes on the Redemption Date. Upon the trustee's receipt of such funds and instructions, along with an officer's certificate of Everi Payments and an opinion of counsel certifying and opining that all conditions under the 2014 Notes Indenture to the satisfaction and discharge of the 2014 Notes Indenture had been satisfied, the 2014 Notes Indenture was satisfied and discharged, and all of the obligations of Everi Payments and the guarantors under the 2014 Notes Indenture ceased to be of further effect, as of December 5, 2017 (subject to certain exceptions). The 2014 Unsecured Notes were thereafter redeemed on the Redemption Date.

In connection with the issuance of the 2017 Unsecured Notes and the redemption of the 2014 Unsecured Notes, in December 2017 we incurred a $37.2 million loss on extinguishment of debt consisting of a $26.3 million make-whole premium related to the satisfaction and redemption of the 2014 Unsecured Notes and approximately $10.9 million for the write-off of related unamortized debt issuance costs and fees.

We were in compliance with the terms of the 2017 Unsecured Notes as of March 31, 2019 .

13. COMMITMENTS AND CONTINGENCIES

There were no material changes in our commitments under contractual obligations as compared to those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 , aside from the cash consideration and contingent consideration payable to Atrient as discussed in "Note 4 — Business Combinations."

We are involved in various investigations, claims and lawsuits in the ordinary course of our business. In addition, various legal actions, claims and governmental inquiries and proceedings are pending or may be instituted or asserted in the future against us and our subsidiaries. Although the outcome of our legal proceedings cannot be predicted with certainty and no assurances can be provided, based upon current information, we do not believe the liabilities, if any, which may ultimately result from the outcome of such matters, individually or in the aggregate, will have a material adverse impact on our financial position, liquidity, or results of operations.

14. STOCKHOLDERS' EQUITY

Preferred Stock. Our amended and restated certificate of incorporation, as amended, allows our Board of Directors, without further action by stockholders, to issue up to 50,000,000 shares of preferred stock in one or more series and to fix the designations, powers, preferences, privileges and relative participating, optional, or special rights as well as the qualifications, limitations or restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences. As of March 31, 2019 and December 31, 2018 , we had no shares of preferred stock outstanding.

Common Stock. Subject to the preferences that may apply to shares of preferred stock that may be outstanding at the time, the holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at the times and in the amounts as our Board of Directors may from time to time determine. All dividends are non-cumulative. In the event of the liquidation, dissolution or winding up of Everi, the holders of common stock are entitled to share ratably in all assets remaining after the payment of liabilities, subject to the prior distribution rights of preferred stock, if any, then outstanding. Each stockholder is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Cumulative voting for the election of directors is not provided for. The common stock is not entitled to preemptive rights and is not subject to conversion or redemption. There are no sinking fund provisions applicable to the common stock. Each outstanding share of common stock is fully paid and non-assessable. As of March 31, 2019 and December 31, 2018 , we had 95,965,756 and 95,099,532 shares of common stock issued, respectively.

Treasury Stock. Employees may direct us to withhold vested shares of restricted stock to satisfy the minimum statutory withholding requirements applicable to their restricted stock vesting. We repurchased or withheld from restricted stock awards 2,096 and 5,001 shares of common stock for the three months ended March 31, 2019 and 2018, respectively, at an aggregate purchase price of $14,718 and $38,400 , respectively, to satisfy the minimum applicable tax withholding obligations related to the vesting of such restricted stock awards.

15. WEIGHTED AVERAGE COMMON SHARES

The weighted average number of shares of common stock outstanding used in the computation of basic and diluted earnings per share is as follows (in thousands):

	At March 31,	
	2019	**2018**
Weighted average shares		
Weighted average number of common shares outstanding - basic	70,334	68,686
Potential dilution from equity awards [(1)]	4,922	4,599
Weighted average number of common shares outstanding - diluted [(1)]	75,256	73,285

(1) The potential dilution excludes the weighted average effect of equity awards to purchase approximately 6.7 million and 7.0 million shares of common stock for the three months ended March 31, 2019 and 2018, respectively, as the application of the treasury stock method, as required, makes them anti-dilutive.

16. SHARE-BASED COMPENSATION

Equity Incentive Awards

Our 2014 Equity Incentive Plan (as amended and restated effective May 22, 2018, the "Amended and Restated 2014 Plan") and our 2012 Equity Incentive Plan (as amended, the "2012 Plan") are used to attract and retain the best available personnel, to provide additional incentives to employees, directors and consultants and to promote the success of our business. Our equity incentive plans are administered by the Compensation Committee of our Board of Directors, which has the authority to select individuals who are to receive equity incentive awards and to specify the terms and conditions of grants of such awards, including, but not limited to the vesting provisions and exercise prices.

Generally, we grant the following award types: (a) time-based options; (b) market-based options; (c) time-based restricted stock; and (d) restricted stock units ("RSUs") with either time- or performance-based criteria.

A summary of award activity is as follows (in thousands):

	Stock Options Granted	Restricted Stock Awards Granted	Restricted Stock Units Granted
Outstanding, December 31, 2018	15,674	8	1,797
Granted	—	—	84
Exercised options or vested shares	(864)	(5)	(2)
Canceled or forfeited	(56)	—	(17)
Outstanding, March 31, 2019	14,754	3	1,862

There are approximately 3.6 million awards of our common stock available for future equity grants, both under the Amended and Restated 2014 Plan and the 2012 Plan as of March 31, 2019 .

Stock Options

Our time-based stock options granted under our equity plans generally vest at a rate of 25% per year on each of the first four anniversaries of the option grant dates, and the options expire after a ten -year period. We estimate forfeiture amounts based on historical patterns.

Our market-based options granted in 2017 and 2016 under our 2014 Plan and 2012 Plan vest at a rate of 25% per year on each of the first four anniversaries of the grant date, provided that as of the vesting date for each vesting tranche, the closing price of our shares on the New York Stock Exchange is at least a specified price hurdle, defined as a 25% and 50% premium for 2017 and 2016, respectively, to the closing stock price on the grant date. If the price hurdle is not met as of the vesting date for a vesting tranche, then the vested tranche shall vest and become vested shares on the last day of a period of 30 consecutive trading days during which the closing price is at least the price hurdle. These options expire after a ten -year period.

The following table presents the options activity for the three months ended March 31, 2019 :

	Number of Options (in thousands)	Weighted Average Exercise Price (per Share)	Weighted Average Life Remaining (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2018	15,674	$ 5.39	6.0	$ 17,733
Granted	—			
Exercised	(864)	$ 5.74		
Canceled or forfeited	(56)	$ 4.40		
Outstanding, March 31, 2019	14,754	$ 5.38	5.8	$ 75,894
Vested and expected to vest, March 31, 2019	14,302	$ 5.43	5.8	$ 72,739
Exercisable, March 31, 2019	9,738	$ 5.92	5.5	$ 44,777

There were no time-based or market-based option awards granted during the three months ended March 31, 2019 , and 2018, respectively. The total intrinsic value of options exercised was $3.3 million and $1.3 million for the three months ended March 31, 2019 and 2018, respectively.

There was approximately $2.7 million in unrecognized compensation expense related to options expected to vest as of March 31, 2019 . This cost is expected to be recognized on a straight-line basis over a weighted average period of 2.3 years . We recorded approximately $1.0 million in non-cash compensation expense related to options granted that were expected to vest as of March 31, 2019 . We received approximately $4.7 million in cash from the exercise of options for the three months ended March 31, 2019 .

There was $6.4 million in unrecognized compensation expense related to options expected to vest as of March 31, 2018 . This cost was expected to be recognized on a straight-line basis over a weighted average period of 3.1 years . We recorded approximately $2.1 million in non-cash compensation expense related to options granted that were expected to vest as of March 31, 2018 . We received approximately $4.2 million in cash from the exercise of options for the three months ended March 31, 2018 .

Restricted Stock Awards

The following is a summary of non-vested share awards for our time-based restricted stock:

	Shares Outstanding (in thousands)	Weighted Average Grant Date Fair Value (per share)
Outstanding, December 31, 2018	8	$ 6.66
Granted	—	$ —
Vested	(5)	$ 6.66
Forfeited	—	$ —
Outstanding, March 31, 2019	3	$ 6.66

There were no shares of restricted stock granted for the three months ended March 31, 2019 and 2018. The total fair value of restricted stock vested was $33,287 and $118,747 for the three months ended March 31, 2019 and 2018, respectively.

There was approximately $8,744 in unrecognized compensation expense related to shares of restricted stock expected to vest as of March 31, 2019 . This cost is expected to be recognized on a straight-line basis over a weighted average period of 0.1 years . During the three months ended March 31, 2019 , there were 4,998 shares of restricted stock that vested, and we recorded approximately $32,523 in non-cash compensation expense related to restricted stock expected to vest.

There was approximately $0.3 million in unrecognized compensation expense related to shares of restricted stock expected to vest as of March 31, 2018 . This cost was expected to be recognized on a straight-line basis over a weighted average period of 0.8 years . During the three months ended March 31, 2018 , there were 17,001 shares of restricted stock that vested, and we recorded $0.2 million in non-cash compensation expense related to the restricted stock expected to vest.

Restricted Stock Units

The following is a summary of non-vested RSU awards:

	Shares Outstanding (in thousands)	Weighted Average Grant Date Fair Value (per share)	Weighted Average Life Remaining (years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2018	1,797	$ 7.49	2.0	$ 9,254
Granted	84	$ 7.16		
Vested	(2)	$ 6.79		
Forfeited	(17)	$ 7.45		
Outstanding, March 31, 2019	1,862	$ 7.47	1.8	$ 19,591
Vested and expected to vest, March 31, 2019	1,292	$ 7.46	1.6	$ 13,595

There were approximately 84,100 shares of time-based RSUs granted during the three months ended March 31, 2019 that vest at a rate of 25% per year on each of the first four anniversaries of the grant dates. There were approximately 116,326 shares RSU awards granted for the three months ended March 31, 2018, respectively. The time-based RSUs granted during the three months ended March 31, 2018 to independent members of our Board of Directors vest in equal installments on each of the first three anniversary dates of the grant date and settle on the earliest of the following events: (a) March 7, 2028; (b) death; (c) the occurrence of a Change in Control (as defined in the Amended and Restated 2014 Plan), subject to qualifying conditions; or (d) the date that is six months following the separation from service, subject to qualifying conditions.

There were 2,084 RSU awards that vested during the three months ended March 31, 2019 and no shares that vested during the three months ended March 31, 2018 .

There was approximately $6.4 million and $0.7 million in unrecognized compensation expense related to RSU awards expected to vest as of March 31, 2019 and 2018, respectively. This cost is expected to be recognized on a straight-line basis over a weighted average period of 2.8 years and 2.9 years as of March 31, 2019 and 2018, respectively. We recorded approximately $0.8 million and $17,359 in non-cash compensation expense related to RSU awards during the three months ended March 31, 2019 and 2018, respectively.

17. INCOME TAXES

The income tax benefit reflected an effective income tax rate of negative 7.1% for the three months ended March 31, 2019 , which was less than the statutory federal rate of 21.0% , primarily due to a decrease in our valuation allowance for deferred tax assets, the benefit from stock option exercises and the benefit from a research credit. The decrease in our valuation allowance is primarily due to the book income during the year and certain indefinite lived deferred tax assets which can be offset against our indefinite lived deferred tax liabilities. The income tax provision reflected an effective income tax rate of negative 10.2% for the three months ended March 31, 2018 , which was less than the statutory federal rate of 21.0% , primarily due to a decrease in our valuation allowance for deferred tax assets, and the benefit from a research credit.

We have analyzed filing positions in all of the federal, state and foreign jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. As of March 31, 2019 , we recorded $1.1 million of unrecognized tax benefits, all of which would impact our effective tax rate, if recognized. We do not anticipate that our unrecognized tax benefits will materially change within the next 12 months. We have not accrued any penalties and interest for our unrecognized tax benefits. Other than the unrecognized tax benefit recorded, we believe that our income tax filing positions and deductions will be sustained upon audit, and we do not anticipate any other adjustments that will result in a material change to our financial position. We may, from time to time, be assessed interest or penalties by tax jurisdictions, although any such assessments historically have been minimal and immaterial to our financial results. Our policy for recording interest and penalties associated with audits and unrecognized tax benefits is to record such items as a component of income tax in our Statements of Income.

18. SEGMENT INFORMATION

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-making group (the “CODM”). Our CODM consists of the Chief Executive Officer and the Chief Financial Officer. Our CODM allocates resources and measures profitability based on our operating segments, which are managed and reviewed separately, as each represents products and services that can be sold separately to our customers. Our segments are monitored by management for performance against our internal forecasts.

We have reported our financial performance based on our segments in both the current and prior periods. Our CODM determined that our operating segments for conducting business are: (a) Games, and (b) FinTech:

- The Games segment provides solutions directly to gaming establishments to offer their patrons gaming entertainment- related experiences including: leased gaming equipment; sales of gaming equipment; gaming systems; interactive solutions; and ancillary products and services.

- The FinTech segment provides solutions directly to gaming establishments to offer their patrons cash access-related services and products, including: access to cash at gaming facilities via ATM cash withdrawals; credit card cash access transactions and POS debit card cash access transactions; check-related services; equipment, including self-service enrollment and loyalty card printing kiosks and a marketing platform that manages and delivers a gaming operator’s marketing programs, and related maintenance services; compliance, audit and data software; casino credit data and reporting services, and other ancillary offerings.

Corporate overhead expenses have been allocated to the segments either through specific identification or based on a reasonable methodology. In addition, we record depreciation and amortization expenses to the business segments.

Our business is predominantly domestic with no specific regional concentrations and no significant assets in foreign locations.

The following tables present segment information (in thousands):

	For the Three Months Ended March 31,	
	2019	2018
Games		
Revenues		
Gaming operations	$ 44,286	$ 40,056
Gaming equipment and systems	23,087	20,154
Gaming other	54	7
Total revenues	67,427	60,217
Costs and expenses		
Cost of revenues [1]		
Gaming operations	4,124	4,182
Gaming equipment and systems	12,529	10,741
Gaming other	—	—
Cost of revenues	16,653	14,923
Operating expenses	14,667	12,007
Research and development	5,847	4,311
Depreciation	13,374	11,139
Amortization	13,782	13,484
Total costs and expenses	64,323	55,864
Operating income	$ 3,104	$ 4,353

(1) Exclusive of depreciation and amortization.

	For the Three Months Ended March 31,	
	2019	2018
FinTech		
Revenues		
Cash access services	$ 40,832	$ 38,218
Equipment	7,028	4,419
Information services and other	8,488	8,147
Total revenues	56,348	50,784
Costs and expenses		
Cost of revenues [1]		
Cash access services	2,697	2,231
Equipment	4,330	2,514
Information services and other	958	1,216
Cost of revenues	7,985	5,961
Operating expenses	19,981	20,180
Research and development	1,684	—
Depreciation	1,415	1,686
Amortization	2,515	2,819
Total costs and expenses	33,580	30,646
Operating income	$ 22,768	$ 20,138

(1) Exclusive of depreciation and amortization.

	For the Three Months Ended March 31,	
	2019	2018
Total Games and FinTech		
Revenues	$ 123,775	$ 111,001
Costs and expenses		
Cost of revenues [1]	24,638	20,884
Operating expenses	34,648	32,187
Research and development	7,531	4,311
Depreciation	14,789	12,825
Amortization	16,297	16,303
Total costs and expenses	97,903	86,510
Operating income	$ 25,872	$ 24,491

(1) Exclusive of depreciation and amortization.

	At March 31,	At December 31,
	2019	2018
Total assets		
Games	$ 912,747	$ 912,849
FinTech	719,257	635,412
Total assets	$ 1,632,004	$ 1,548,261

Major Customers. For the three months ended March 31, 2019 and 2018 , no single customer accounted for more than 10% of our revenues. Our five largest customers accounted for approximately 16% and 21% of our revenues for the three months ended March 31, 2019 , and 2018 , respectively.

19. SUBSEQUENT EVENTS

As of the filing date, we had not identified, and were not aware of, any subsequent event for the period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In this filing, we refer to: (a) our unaudited condensed consolidated financial statements and notes thereto as our "Financial Statements," (b) our Unaudited Condensed Consolidated Statements of Income and Comprehensive Income as our "Statements of Income," (c) our Unaudited Condensed Consolidated Balance Sheets as our "Balance Sheets," and (d) our Management's Discussion and Analysis of Financial Condition and Results of Operations as our "Results of Operations." Unless otherwise indicated, the terms the "Company," "we," "us" and "our" refer to Everi Holdings Inc. ("Everi Holdings," "Holdings," or "Everi") together with its consolidated subsidiaries, including Everi Games Holding Inc. ("Everi Games Holding"), Everi Games Inc. ("Everi Games" or "Games") and Everi Payments Inc. ("Everi FinTech" or "FinTech").

Cautionary Information Regarding Forward-Looking Statements

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "goal," "target," "future," "estimate," "expect," "anticipate," "intend," "plan," "believe," "seek," "project," "may," "should," "will," "likely," "will likely result," "will continue," "forecast," "observe," "strategy," and other words and terms of similar meaning. These forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or assumed, including, but not limited to, the following: our ability to generate profits in the future; our ability to execute on mergers, acquisitions and/or strategic alliances, including our ability to integrate and operate such acquisitions consistent with our forecasts; expectations regarding our existing and future installed base and win per day; expectations regarding placement fee arrangements; inaccuracies in underlying operating assumptions; expectations regarding customers' preferences and demands for future gaming offerings; expectations regarding our product portfolio; the overall growth of the gaming industry, if any; our ability to replace revenue associated with terminated contracts; margin degradation from contract renewals; our ability to comply with the Europay, MasterCard and Visa global standard for cards equipped with security chip technology; our ability to introduce new products and services, including third-party licensed content; gaming establishment and patron preferences; expenditures and product development; anticipated sales performance; our ability to prevent, mitigate or timely recover from cybersecurity breaches, attacks and compromises; national and international economic conditions; changes in gaming regulatory, card association and statutory requirements; regulatory and licensing difficulties; competitive pressures; operational limitations; gaming market contraction; changes to tax laws; uncertainty of litigation outcomes; interest rate fluctuations; business prospects; unanticipated expenses or capital needs; technological obsolescence; our ability to comply with our debt covenants and service outstanding debt; employee turnover and other statements that are not historical facts. If any of these assumptions prove to be incorrect, the results contemplated by the forward-looking statements regarding our future results of operations are unlikely to be realized.

These cautionary statements qualify our forward-looking statements, and you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This Quarterly Report on Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and the information included in our other press releases, reports and other filings with the Securities and Exchange Commission (the "SEC"). Understanding the information contained in these filings is important in order to fully understand our reported financial results and our business outlook for future periods.

Overview

Everi is a leading supplier of technology solutions for the casino gaming industry. We provide casino operators with a diverse portfolio of products, including innovative gaming machines that power the casino floor, and casino operational and management systems that include comprehensive, end-to-end financial technology solutions, critical intelligence offerings, and gaming operations efficiency technology. Everi also provides tier one land-based game content to online social and real-money markets via its Remote Game Server and operates social play for fun casinos.

Everi Holdings reports its results of operations based on two operating segments: Games and FinTech. Effective April 1, 2018, we changed the name of the operating segment previously referred to as "Payments" to "Financial Technology Solutions" ("Everi FinTech" or "FinTech"). We believe this reference more accurately reflects the focus of the business segment on delivering innovative and integrated solutions to enhance the efficiency of the casino operator, support the comprehensive regulatory and tax requirements of their gaming customers, and improve players' gaming experience by providing easy access to their funds and payment of winnings.

Everi Games provides gaming operators products and services, including: (a) gaming machines primarily comprised of Class II and Class III slot machines placed under participation or fixed fee lease arrangements or sold to casino customers, including *TournEvent* ® terminals that allow operators to switch from in-revenue gaming to out-of-revenue tournaments; (b) system software, licenses, and ancillary equipment; and (c) business-to-consumer and business-to-business interactive activities. In addition, Everi Games develops and manages the central determinant system for the video lottery terminals ("VLTs") installed in the State of New York, and it also provides similar technology in certain tribal jurisdictions.

Everi FinTech provides gaming operators cash access and related products and services, including: (a) access to cash at gaming facilities via Automated Teller Machine ("ATM") cash withdrawals, credit card cash access transactions, point of sale ("POS") debit card cash access transactions, and check verification and warranty services; (b) equipment that provides cash access and efficiency-related services; (c) self-service enrollment and loyalty card printing equipment; (d) products and services that improve credit decision making, automate cashier operations, and enhance patron marketing activities for gaming establishments; (e) compliance, audit, and data solutions; and (f) online payment processing solutions for gaming operators in states that offer intrastate, Internet-based gaming and lottery activities.

Trends and Developments Impacting our Business

The key trends, developments, and challenges facing us were disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 . Except as discussed herein, during the three months ended March 31, 2019 , there have been no significant changes in these trends, aside from the acquisition of certain assets of Atrient as described in "Note 4 — Business Combinations" in *Part I, Item 1: Financial Statements.* Refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Trends and Developments Impacting our Business" in our Annual Report on Form 10-K for our fiscal year ended December 31, 2018 , which is incorporated herein by reference.

Impact of ASC Topic 842 on the Comparability of Our Results of Operations

For a detailed discussion of the impact of adopting Accounting Standards Codification Topic 842 *Leases* ("ASC 842"), refer to "Note 2 — Basis of Presentation and Summary of Significant Accounting Policies" and "Note 3 — Leases" in *Part I, Item 1: Financial Statements* , which assesses the impact on our Financial Statements of ASC 842, which applies to us as of January 1, 2019. We determined that the adoption of ASC 842 had a material impact on our Balance Sheets with the recognition of right-of-use ("ROU") assets and lease liabilities of operating leases, however, the standard did not have a material impact on our Statements of Income.

Operating Segments

We report our financial performance based on two operating segments: (a) Games; and (b) FinTech. For additional information on our segments see "Note 18 — Segment Information" included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

Results of Operations

Three months ended March 31, 2019 compared to three months ended March 31, 2018

The following table presents our Results of Operations as reported for the three months ended March 31, 2019 compared to the three months ended March 31, 2018 (amounts in thousands)*:

	Three Months Ended					
	March 31, 2019		March 31, 2018		2019 vs 2018	
	$	%	$	%	$	%
Revenues						
Games revenues						
Gaming operations	$ 44,286	36%	$ 40,056	36%	$ 4,230	11 %
Gaming equipment and systems	23,087	18%	20,154	18%	2,933	15 %
Gaming other	54	—%	7	—%	47	671 %
Games total revenues	67,427	54%	60,217	54%	7,210	12 %
FinTech revenues						
Cash access services	40,832	33%	38,218	34%	2,614	7 %
Equipment	7,028	6%	4,419	5%	2,609	59 %
Information services and other	8,488	7%	8,147	7%	341	4 %
FinTech total revenues	56,348	46%	50,784	46%	5,564	11 %
Total revenues	123,775	100%	111,001	100%	12,774	12 %
Costs and expenses						
Games cost of revenues [1]						
Gaming operations	4,124	3%	4,182	4%	(58)	(1)%
Gaming equipment and systems	12,529	10%	10,741	9%	1,788	17 %
Gaming other	—	—%	—	—%	—	— %
Games total cost of revenues	16,653	13%	14,923	13%	1,730	12 %
FinTech cost of revenues [1]						
Cash access services	2,697	2%	2,231	2%	466	21 %
Equipment	4,330	3%	2,514	2%	1,816	72 %
Information services and other	958	1%	1,216	1%	(258)	(21)%
FinTech total cost of revenues	7,985	6%	5,961	5%	2,024	34 %

* Rounding may cause variances.

(1) Exclusive of depreciation and amortization.

	Three Months Ended					
	March 31, 2019		March 31, 2018		2019 vs 2018	
	$	%	$	%	$	%
Operating expenses	34,648	29%	32,187	29%	2,461	8 %
Research and development	7,531	6%	4,311	4%	3,220	75 %
Depreciation	14,789	12%	12,825	12%	1,964	15 %
Amortization	16,297	13%	16,303	15%	(6)	— %
Total costs and expenses	97,903	79%	86,510	78%	11,393	13 %
Operating income	25,872	21%	24,491	22%	1,381	6 %
Other expenses						
Interest expense, net of interest income	20,400	16%	20,307	18%	93	— %
Total other expenses	20,400	16%	20,307	18%	93	— %
Income before income tax	5,472	4%	4,184	4%	1,288	31 %
Income tax benefit	(388)	—%	(425)	—%	37	(9)%
Net income	$ 5,860	5%	$ 4,609	4%	$ 1,251	27 %

* Rounding may cause variances.

Revenues

Total revenues increased by approximately $12.8 million , or 12% , to approximately $123.8 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily due to higher Games and FinTech revenues, described below.

Games revenues increased by approximately $7.2 million , or 12% , to approximately $67.4 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily due to an increase in unit sales, a higher average daily win per unit on the installed base of leased gaming machines, and an increase in our interactive revenue.

FinTech revenues increased by approximately $5.6 million , or 11% , to approximately $56.3 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily due to higher transaction volumes from cash access services and increased equipment sales at higher average selling prices.

Costs and Expenses

Total costs and expenses increased by approximately $11.4 million , or 13% , to approximately $97.9 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily due to higher Games and FinTech costs and expenses, described below.

Games cost of revenues increased by approximately $1.7 million , or 12% , to approximately $16.7 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily due to the costs associated with the additional unit sales.

FinTech cost of revenues increased by approximately $2.0 million , or 34% , to approximately $8.0 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily due to the costs associated with an increase in equipment sales.

Operating expenses increased by approximately $2.5 million , or 8% , to approximately $34.6 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. The increase was primarily driven by our Games segment due to higher advertising costs, payroll and related expenses, a write-off of certain intangible assets and inventory-related costs.

Research and development costs increased by approximately $3.2 million , or 75% , to approximately $7.5 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily due to higher payroll and related expenses for both our Games and FinTech segments.

Depreciation increased by approximately $2.0 million , or 15% , to approximately $14.8 million for the three months ended March 31, 2019 as compared to the same period in the prior year. This was primarily driven by the adjustments to the remaining useful lives of certain of the gaming fixed assets related to our Games segment.

Amortization was consistent at approximately $16.3 million for the three months ended March 31, 2019 , as compared to the same period in the prior year.

Primarily as a result of the factors described above, operating income increased by approximately $1.4 million , or 6% , to approximately $25.9 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. The operating margin was 21% for the three months ended March 31, 2019 compared to 22% for the same period in the prior year.

Interest expense, net of interest income, remained relatively consistent at approximately $20.4 million for the three months ended March 31, 2019 .

Income tax benefit was consistent at approximately $0.4 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. The income tax benefit reflected an effective income tax rate of negative 7.1% for the three months ended March 31, 2019 , which was less than the statutory federal rate of 21.0% , primarily due to a decrease in our valuation allowance for deferred tax assets, the benefit from stock option exercises, and the benefit from a research credit. The decrease in our valuation allowance is primarily due to the current quarter book income and certain indefinite lived deferred tax assets, which can be offset against our indefinite lived deferred tax liabilities. The income tax provision reflected an effective income tax rate of negative 10.2% for the same period in the prior year, which was less than the statutory federal rate of 21.0% , primarily due to a decrease in our valuation allowance for deferred tax assets and the benefit from a research credit.

Primarily as a result of the foregoing, net income increased by $1.3 million , or 27% , to $5.9 million and diluted EPS increased by $0.02 , or 32% , to $0.08 for the three months ended March 31, 2019 , as compared to the same period in the prior year.

Critical Accounting Policies

The preparation of our financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires us to make estimates and assumptions that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in our Financial Statements. The SEC has defined critical accounting policies as the ones that are most important to the portrayal of the financial condition and results of operations, and which require management to make its most difficult and subjective judgments, often as a result of the need to make estimates about matters that are inherently uncertain.

For the three months ended March 31, 2019 , other than the adoption of ASC 842, there were no changes to the critical accounting policies and estimates discussed in our audited Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 .

Goodwill. We had approximately $673.4 million of goodwill on our Balance Sheets at March 31, 2019 resulting from acquisitions of other businesses. We test for impairment annually on a reporting unit basis at the beginning of our fourth fiscal quarter, or more often under certain circumstances. Our reporting units are identified as operating segments or one level below and we evaluate our reporting units at least annually.

The annual evaluation of goodwill requires the use of different assumptions, estimates, or judgments in the goodwill impairment testing process, such as: the methodology, the estimated future cash flows of our reporting units, the discount rate used to discount such cash flows, and the market multiples of comparable companies. Management performs its annual forecasting process, which, among other factors, includes reviewing recent historical results, company-specific variables, and industry trends. This process is generally completed in the fourth quarter and considered in conjunction with the annual goodwill impairment evaluation. Changes in forecasted operations can materially affect these estimates, which could materially affect our results of operations. Our estimates of fair value require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including: estimates of future growth rates, operating margins, and assumptions about the overall economic climate as well as the competitive environment for our reporting units.

There can be no assurance that our estimates and assumptions made for purposes of our goodwill testing as of the time of testing will prove to be accurate predictions of the future. If our assumptions regarding business plans, competitive environments, or anticipated growth rates are not correct, we may be required to record goodwill impairment charges in future periods, whether in connection with our next annual impairment testing, or earlier, if an indicator of an impairment is present prior to our next annual evaluation.

Property, Equipment, Leased Assets, and Other Intangible Assets . We have approximately $113.1 million in net property, equipment, and leased assets and approximately $293.0 million in net unamortized other intangible assets on our Balance Sheets at March 31, 2019 . Such assets are stated at cost, less accumulated depreciation or amortization, computed primarily using the straight-line method over the estimated useful lives of such assets. We apply judgment in the determination of the useful lives, which are generally based on the nature of the assets and the underlying contractual obligations for certain assets.

Property, equipment, leased assets, and other intangible assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Such events or circumstances include, but are not limited to, a significant decrease in the fair value of the underlying business or market price of the asset, a significant adverse change in legal factors or business climate that could affect the value of an asset, or a current period operating or cash flow loss combined with a history of operating or cash flow losses. Impairment is indicated when undiscounted future cash flows do not exceed the carrying value of the asset. Any impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Determination of the amount and timing of future cash flows requires significant estimates and assumptions. If actual results differ from such estimates and assumptions, this may have a material impact on our conclusions.

Income Taxes. We are subject to income taxes in the United States as well as various states and foreign jurisdictions in which we operate. Some items of income and expense are not reported in tax returns and our Financial Statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes.

Our income tax returns are subject to examination by various tax authorities and while we believe that the positions taken in our tax returns are in accordance with the applicable laws, they may be challenged by the tax authorities, which may occur several years after such tax returns have been filed. We account for uncertainty in income tax positions by evaluating whether it is more likely than not that the position will be sustained upon examination by taxing authorities based on the technical merits of the issue. The amount recognized in our Financial Statements is the largest benefit that we believe has greater than a 50% likelihood of being realized upon settlement. Actual income taxes paid may vary from estimates depending upon changes in income tax laws, actual results of operations, and the final audit of tax returns by taxing authorities.

We recognize deferred tax assets, which generally represent tax benefits related to tax deductions or credits available in future tax returns, and apply a valuation allowance to reduce our deferred tax assets to the amounts that are more likely than not to be realized. The assessment of the valuation allowance involves significant estimates regarding future taxable income and when it is recognized, the amount and timing of taxable differences, the reversal of temporary differences and the implementation of tax-planning strategies. A valuation allowance is established based on the weight of available evidence, including both positive and negative indicators, if it is more likely than not that a portion, or all, of the deferred tax assets will not be realized. In addition, we rely on deferred tax liabilities in our assessment of the realizability of deferred tax assets if the temporary differences are anticipated to reverse in the same period and jurisdiction and the deferred tax liabilities are of the same character as the temporary differences giving rise to the deferred tax assets.

Revenue Recognition. We recognize revenue upon transferring control of goods or services to our customers in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We enter into contracts with customers that include various performance obligations consisting of goods, services, or combinations of goods and services. Timing of the transfer of control varies based on the nature of the contract.

The guidance in ASC 606 requires that we disclose significant judgments and estimates used in determination of our revenue recognition policy disclosed in “Note 2 — Basis of Presentation and Summary of Significant Accounting Policies,” including those related to determination of performance obligations, the timing of satisfaction of such performance obligations, and the stand-alone selling price of each identified performance obligation. The critical judgments that we are required to make in our assessment of contracts with customers and which may have a material impact on the amount or timing of revenue recognized include:

- Determination of stand-alone selling price (“SSP”) - We are required to make a significant judgment as to whether there is a sufficient quantity of items sold or renewed on a stand-alone basis and those prices demonstrate an appropriate level of concentration to conclude that a SSP exists. The SSP of our goods and services are generally determined based on observable prices, an adjusted market assessment approach, or an expected cost plus margin approach. We utilize a residual approach only when the SSP for performance obligations with observable prices have been established and the

remaining performance obligation in the contract with a customer does not have an observable price as it is uncertain or highly variable and, therefore, is not discernible.

- Contract combinations with multiple promised goods or services - Our contracts may include various performance obligations for promises to transfer multiple goods and services to a customer, especially since our Games and FinTech businesses may enter into multiple agreements with the same customer that meet the criteria to be combined for accounting purposes under ASC 606. For such arrangements, we use our judgment to analyze the nature of the promises made and determine whether each is distinct or should be combined with other promises in the contract based on the level of integration and interdependency between the individual deliverables.

Recent Accounting Guidance

For a description of our recently adopted accounting guidance and recent accounting guidance not yet adopted, see "Note 2 — Basis of Presentation and Summary of Significant Accounting Policies — Recent Accounting Guidance" included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

Liquidity and Capital Resources

Overview

The following table presents selected balance sheet information and an unaudited reconciliation of cash and cash equivalents per GAAP to net cash position and net cash available (in thousands):

	At March 31, 2019	At December 31, 2018
Balance sheet data		
Total assets	$ 1,632,004	$ 1,548,261
Total borrowings	1,162,007	1,163,216
Total stockholders' deficit	(95,802)	(108,895)
Cash available		
Cash and cash equivalents	$ 139,857	$ 297,532
Settlement receivables	259,288	82,359
Settlement liabilities	(354,402)	(334,198)
Net cash position [(1)]	44,743	45,693
Undrawn revolving credit facility	35,000	35,000
Net cash available [(1)]	$ 79,743	$ 80,693

(1) Non-GAAP measure. In order to enhance investor understanding of our cash balance, we are providing in this Quarterly Report on Form 10-Q net cash position and net cash available, which are not measures of our financial performance or position under GAAP. Accordingly, these measures should not be considered in isolation or as a substitute for, and should be read in conjunction with, our cash and cash equivalents prepared in accordance with GAAP. We define (a) net cash position as cash and cash equivalents plus settlement receivables less settlement liabilities, and (b) net cash available as net cash position plus undrawn amounts available under our Revolving Credit Facility (defined herein). We present net cash position because our cash position, as measured by cash and cash equivalents, depends upon changes in settlement receivables and the timing of payments related to settlement liabilities. As such, our cash and cash equivalents can change substantially based upon the timing of our receipt of payments for settlement receivables and payments we make to customers for our settlement liabilities. We present net cash available as management monitors this amount in connection with its forecasting of cash flows and future cash requirements, both on a short-term and long-term basis.

Cash Resources

Our cash balance, cash flows, and line of credit are expected to be sufficient to meet our recurring operating commitments and to fund our planned capital expenditures for the foreseeable future. Cash and cash equivalents at March 31, 2019 included cash in non-U.S. jurisdictions of approximately $26.0 million . Generally, these funds are available for operating and investment purposes within the jurisdiction in which they reside, and as a result of the Tax Cut and Jobs Act of 2017 Tax Act, enacted on December 22, 2017, we will not be subject to additional taxation if we repatriate foreign funds to the United States, except for potential withholding tax.

We expect that cash provided by operating activities will be sufficient for our operating and debt servicing needs during the foreseeable future. If not, we have sufficient borrowings available under our senior secured revolving credit facility and senior secured term loan facility (collectively, the "Credit Facilities") to meet additional funding requirements. We monitor the financial strength of our lenders on an ongoing basis using publicly-available information. Based upon that information, we believe there is not a likelihood that any of our lenders might not be able to honor their commitments under the Credit Agreement.

We provide cash settlement services to gaming establishments related to our cash access services, which involve the movement of funds between various parties involved in these types of transactions. We receive reimbursement from the patron's credit or debit card issuing financial institution for the amount owed to the gaming establishment plus the fee charged to the patron. These activities result in amounts due to us at the end of each business day that we generally recover over the next few business days, which are classified as settlement receivables on our Balance Sheets. As of March 31, 2019 , we had $259.3 million in settlement receivables. In addition, cash settlement services result in amounts due to gaming establishments for the cash disbursed to patrons through the issuance of a negotiable instrument or through electronic settlement for the face amount provided to patrons that we generally remit over the next few business days, which are classified as settlement liabilities on our Balance Sheets. As of March 31, 2019 , we had $354.4 million in settlement liabilities. As the timing of cash received from cash settlement services may differ, the total amount of cash held by us will fluctuate throughout the year.

Sources and Uses of Cash

The following table presents a summary of our cash flow activity (in thousands):

	Three Months Ended March 31,		2019 vs 2018
	2019	2018	Change
Cash flow activities			
Operating activities	$ (112,188)	$ 32,751	$ (144,939)
Investing activities	(47,490)	(30,910)	(16,580)
Financing activities	2,621	2,000	621
Effect of exchange rates on cash	(343)	147	(490)
Cash, cash equivalents and restricted cash			
Net (decrease) increase for the period	(157,400)	3,988	(161,388)
Balance, beginning of the period	299,181	129,604	169,577
Balance, end of the period	$ 141,781	$ 133,592	$ 8,189

Cash flows used in operating activities increased by $144.9 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily attributable to changes in operating assets and liabilities associated with cash settlement receivables and liabilities within our FinTech segment.

Cash flows used in investing activities increased by $16.6 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily attributable to the acquisition of certain loyalty related assets that is expected to enhance our offerings from our FinTech segment.

Cash flows provided by financing activities increased by $0.6 million for the three months ended March 31, 2019 , as compared to the same period in the prior year. This was primarily attributable to additional proceeds from the exercise of stock options.

Long-Term Debt

For additional information regarding our credit agreement and other debt as well as interest rate risk refer to *Part I, Item 3: Quantitative and Qualitative Disclosures about Market Risk* and "Note 12 — Long-Term Debt" in *Part I, Item 1: Financial Statements.*

Contractual Obligations

There were no material changes in our commitments under contractual obligations as compared to those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 , aside from the cash consideration and contingent consideration payable to Atrient as discussed in "Note 4 — Business Combinations" in *Part I, Item 1: Financial Statements.*

We are subject to claims and suits that arise from time to time in the ordinary course of business. We do not believe the liabilities, if any, which may ultimately result from the outcome of such matters, individually or in the aggregate, will have a material adverse impact on our financial position, liquidity or results of operations.

Off-Balance Sheet Arrangements

We have commercial arrangements with third party vendors to provide cash for certain of our ATMs. For the use of these funds, we pay a cash usage fee on either the average daily balance of funds utilized multiplied by a contractually defined cash usage rate or the amounts supplied multiplied by a contractually defined cash usage rate. These cash usage fees, reflected as interest expense within the Statements of Income, were $1.7 million for the three months ended March 31, 2019 and 2018. We are exposed to interest rate risk to the extent that the applicable federal funds rate increases.

Under these agreements, the currency supplied by third party vendors remains their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected on our Balance Sheets. The outstanding balances of ATM cash utilized by us from the third party vendors were $267.0 million and $224.7 million as of March 31, 2019 and December 31, 2018 , respectively.

The primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, with Wells Fargo Bank, N.A. ("Wells Fargo") provides us with cash in the maximum amount of $300.0 million with the ability to increase the amount by $75 million over a 5-day period for special occasions, such as the period around New Year's Day. The agreement currently expires on June 30, 2021 and will automatically renew for additional one-year periods unless either party provides a 90-day written notice of its intent not to renew.

We are responsible for any losses of cash in the ATMs under this agreement, and we self-insure for this risk. We incurred no material losses related to this self-insurance for the three months ended March 31, 2019 and 2018.

Effects of Inflation

Our monetary assets that primarily consist of cash, receivables, inventory as well as our non-monetary assets that are mostly comprised of goodwill and other intangible assets, are not significantly affected by inflation. We believe that replacement costs of equipment, furniture, and leasehold improvements will not materially affect our operations. However, the rate of inflation affects our operating expenses, such as those for salaries and benefits, armored carrier expenses, telecommunications expenses, and equipment repair and maintenance services, which may not be readily recoverable in the financial terms under which we provide our Games and FinTech products and services to gaming establishments.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

In the normal course of business, we are exposed to foreign currency exchange risk. We operate and conduct business in foreign countries and, as a result, are exposed to movements in foreign currency exchange rates. Our exposure to foreign currency exchange risk related to our foreign operations is not material to our results of operations, cash flows, or financial condition. At present, we do not hedge this risk; however, we continue to evaluate such foreign currency translation exposure.

In the normal course of business, we have commercial arrangements with third party vendors to provide cash for certain of our ATMs. Under the terms of these agreements, we pay a monthly cash usage fee based upon the target federal funds rate. We are, therefore, exposed to interest rate risk to the extent that the applicable federal funds rate increases. The outstanding balance of ATM cash utilized by us from third party vendors was $267.0 million as of March 31, 2019 ; therefore, each 1% increase in the applicable federal funds rate would have approximately a $2.7 million impact on income before tax over a 12-month period.

The Credit Facilities bear interest at rates that can vary over time. We have the option of having interest on the outstanding amounts under the Credit Facilities paid using on a base rate or LIBOR. We have historically elected to pay interest based on LIBOR, and we expect to continue to do so for various maturities. The weighted average interest rate on the Credit Facilities was 5.50% for the three months ended March 31, 2019 . Based upon the outstanding balance on the Credit Facilities of $805.7 million as of March 31, 2019 , each 1% increase in the applicable LIBOR would have an $8.1 million impact on interest expense over a 12-month period. The interest rate for the 2017 Unsecured Notes is fixed; therefore, an increase in LIBOR rates does not impact the related interest expense. At present, we do not hedge the risk related to the changes in the interest rate; however, we continue to evaluate such interest rate exposure.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, including its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective such that material information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported, within the time periods specified by the SEC's rules and forms, and (b) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting during the Quarter Ended March 31, 2019

In connection with the adoption of ASC 842, we assessed the impact and applied changes to our internal control over financial reporting to update additional control procedures with respect to the preparation of our financial information.

Except as noted above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Information regarding the Company's legal proceedings may be found in "Note 13 — Commitments and Contingencies" of *Part I, Item 1: Financial Statements* .

Item 1A. Risk Factors.

We refer you to documents filed by us with the SEC, specifically "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, which identify important risk factors that could materially affect our business, financial condition and future results. We also refer you to the factors and cautionary language set forth in the section entitled "Cautionary Information Regarding Forward-Looking Statements" in "Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations" of this Quarterly Report on Form 10-Q. This Quarterly Report on Form 10-Q, including the accompanying Financial Statements, should be read in conjunction with such risks and other factors for a full understanding of our operations and financial condition. The risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and herein are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. The risk factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 have not materially changed.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases and Withholding of Equity Securities

	Total Number of Shares Purchased [1] (in thousands)		Average Price per Share [2]
Tax Withholdings			
1/1/19 - 1/31/19	0.5	$	5.39
2/1/19 - 2/28/19	0.5	$	6.83
3/1/19 - 3/31/19	1.1	$	7.83
Total	2.1	$	7.02

(1) Represents withholding of vested shares of restricted stock to satisfy the minimum statutory withholding requirements applicable to the restricted stock vesting. There are no limitations on the number of shares of common stock that may be withheld from restricted stock awards to satisfy the minimum statutory withholding requirements applicable to the restricted stock vesting.

(2) Represents the average price per share of common stock withheld from restricted stock awards on the date of withholding .

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit Number	Description
†*10.1	Employment Agreement with Harper H. Ko (effective December 29, 2017).
†*10.2	Form of Indemnification Agreement between Holdings and each of its executive officers and directors.
†10.3	Holdings Amended and Restated 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on May 25, 2018) .
†10.4	First Amendment to Amended and Restated Employment Agreement with Michael Rumbolz (effective February 1, 2019) (incorporated by reference to Exhibit 10.40 of Holdings' Annual Report on Form 10-K filed with the SEC on March 12, 2019).
†10.5	Notice of Grant of Restricted Stock Units (Time-Based) under the 2014 Equity Incentive Plan for Michael Rumbolz (effective February 1, 2019) (incorporated by reference to Exhibit 10.41 of Holdings' Annual Report on Form 10-K filed with the SEC on March 12, 2019).
*31.1	Certification of Michael D. Rumbolz, President and Chief Executive Officer of Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Randy L. Taylor, Chief Financial Officer of Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**32.1	Certification of the Chief Executive Officer and Chief Financial Officer of Holdings in accordance with 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 202.
*101.INS	XBRL Instance Document.
*101.SCH	XBRL Taxonomy Extension Schema Document.
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith.

† Management contracts or compensatory plans or arrangements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 7, 2019	**EVERI HOLDINGS INC.**
(Date)	(Registrant)

By: /s/ Todd A. Valli

Todd A. Valli

Senior Vice President, Corporate Finance and Chief Accounting Officer

(For the Registrant and as Principal Accounting Officer)

EXHIBIT 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), by and between Everi Payments Inc., a Delaware corporation (the "Company") and wholly-owned subsidiary of Everi Holdings Inc., a Delaware corporation ("Everi Holdings"), and Harper H. Ko ("Executive"), is dated as of December 29, 2017 (the "Effective Date").

R E C I T A L S

A. The Company desires assurance of the association and services of Executive in order to retain Executive's experience, skills, abilities, background and knowledge, and is willing to engage Executive to provide such services on the terms and conditions set forth in this Agreement.

B. Executive desires to be in the employ of the Company, and is willing to accept such employment on the terms and conditions set forth in this Agreement.

C. Executive states that she is not currently employed and left her prior employer as of the Effective Date.

D. The Company and Executive wish to enter into an employment relationship with a written employment agreement intended to supersede and replace any and all other written and oral representations regarding Executive's employment with Company.

AGREEMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, and with understanding that, unless otherwise indicated, any of Executive obligations do not start until the Effective Date, Executive and the Company agree as follows:

1. Position, Duties, Responsibilities

1.1. **Position and Term .** The Company hereby employs Executive to render services to the Company in the position of Executive Vice President, Chief Legal Officer – General Counsel, reporting directly to the Chief Executive Officer of the Company. The Company's employment of Executive hereunder is contingent upon Executive successfully completing a background investigation. The duties of this position shall include such duties and responsibilities as are reasonably assigned to Executive by the Chief Executive Officer, including, but not limited to, directing all legal, regulatory compliance and product compliance matters for the Company (including authority to determine related vendors and personnel), managing business risk, protecting company assets, and providing legal advice on all business-related matters, as well as any other such duties and responsibilities as are customarily performed by persons holding similar positions at similarly situated corporations. Executive agrees to serve in a similar capacity for the benefit of Everi Holdings and any of Everi Holdings' direct or indirect, wholly-owned or partially-owned subsidiaries or Everi Holdings' affiliates. Additionally, Executive shall serve in such other capacity or capacities as the Chief Executive Officer may from time to time reasonably and lawfully prescribe. Executive shall be deemed an "Executive Officer" for purposes of indemnification by the Company pursuant to Article XI of the Company's bylaws.

1.2. **Best Efforts; Other Activities .** Executive will expend Executive's best efforts on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates, and will abide by all policies and decisions made by the Company and Everi Holdings, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company, Everi Holdings and their respective subsidiaries and affiliates at all times. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties and responsibilities under this Agreement and, except upon the prior written consent of the Board of Directors of the Company (the "Board"), Executive will not (a) accept any other employment, or (b) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be in conflict with, or that might place Executive in a conflicting position to that of, the Company, Everi Holdings and/or their respective subsidiaries and affiliates. Notwithstanding the foregoing, Executive shall be permitted to (i) provide necessary and appropriate transition services to Executive's former employer, Bally Gaming, Inc. and its affiliated companies ("Prior Employer") for a period of six months following the Effective Date as may be reasonably requested by Prior Employer), including up to two (2) weeks of full time transition services (i.e., Effective Date through January 14, 2018), (provided that such services shall relate to the transition of Executive's duties and knowledge and shall not include providing legal advice), and (ii) engage in occasional charitable activities outside the scope of Executive's employment hereunder so long as such activities (A) do not conflict with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, and (B) do not affect the performance of Executive's duties hereunder. In addition, subject to the prior written consent of the Board and subject to the satisfaction of Executive's fiduciary duties to the Company, Everi Holdings and/or their respective subsidiaries and affiliates, Executive may be permitted to serve as a director of other corporations provided that the businesses of such other corporations are not competitive with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates and provided further that Executive's service as a director of such other corporations does not interfere with Executive's performance of Executive's duties hereunder. In the sole discretion of the Board, any such prior written consent may be subsequently revoked in the event that the Chief Executive Officer or Board determines that Executive's position as a director of any such other corporation has developed into a conflict of interest.

1.3. **Location .** Executive's principal place of employment shall be the Company's corporate headquarters, which is located in Las Vegas, Nevada. USA.

1.4. **Proprietary Information .** Executive recognizes that Executive's employment with the Company will involve contact with information of substantial value to the Company, Everi Holdings and their respective subsidiaries and affiliates, which is not generally known in the trade, and which gives the Company, Everi Holdings and their respective subsidiaries and affiliates an advantage over their competitors who do not know or use it. As a condition precedent to Executive's employment by the Company, Executive agrees to execute and deliver to the Company, concurrent with Executive's execution and delivery of this Agreement, a copy of the "Employee Proprietary Information and Inventions Agreement" attached hereto as Exhibit A.

1.5. **No Inconsistent Obligations** . Executive acknowledges and agrees that Executive is free to enter into this Agreement as of today and, as of the Effective Date, Executive reasonably believes that Executive will not be bound by any restrictive covenants, including but not limited to, covenants not to compete and will be permitted to be employed by the Company as contemplated hereby. Executive further agrees and covenants that Executive has not and will never use any confidential information or trade secrets belonging to any third party, including, but not limited to, Executive's Prior Employer, to the extent Executive has any,

in any way or manner related to or with respect to any duties or obligations hereunder. Notwithstanding the foregoing, and provided that Executive is not in violation of the preceding sentence, in the event that Prior Employer alleges actual or potential breaches of any restrictive covenants, including without limitation non-competition, confidentiality, or trade secrets, (collectively, "Prior Employer Claims"), the Company will (a) indemnify Executive in full for such Prior Employer Claims, (b) fund the disposition of such Prior Employer Claims, including without limitation, attorney fees and expenses; court, arbitration and or other related costs related to defense of such Prior Employer Claims; and, if applicable any amounts related to settlement of such Prior Employer Claims; and (c) select counsel to defend against such Prior Employer Claims and direct the defense and resolution of such Prior Employer Claims (subject, in each case, to Executive's reasonable approval and/or involvement); and (d) in the event Company and/or Executive determine for whatever reason that Executive should postpone accepting a position with the Company and/or commencing Executive's employment hereunder during some or part of the pendency of the resolution of the Prior Employer Claims (the "Postponement"; the period of Postponement, collectively, the "Pendency Period"), reimburse Executive an amount equal to the then-current base salary to which Executive would have been entitled during the Pendency Period, payable in installments in accordance with Company's regular payroll procedures, less any salary continuation payments (if applicable) made by Prior Employer during the Pendency Period, (e) continue (or, in the case of any Postponement, reimburse Executive for the cost of materially similar) benefits (as described in Section 2.3 below) and (f) deem Executive to have fulfilled one hundred percent (100%) of Executive's duties for purposes of calculating any Cash Bonus (as described in Section 2.2 below) or granting any Equity Award (as described in Section 2.5 below) which may be based on performance during the period from the Effective Date through the Pendency Period or any portion thereof.

1.6. **Regulatory Approval .** Due to the nature of the business of the Company, Everi Holdings and their respective subsidiaries and affiliates and Executive's position with the Company and Everi Holdings, and, in addition to normal employment-related credit, reference and background investigations, Executive may also be required to complete applications required by various regulatory, tribal, state, local or other international governmental authorities in and under whose jurisdiction the Company, Everi Holdings and their respective subsidiaries and affiliates conduct business, as well as other applications that may be required by regulatory authorities with jurisdiction over the Company, Everi Holdings and their respective subsidiaries and affiliates. Such applications may require complete disclosure of personal and financial information, criminal convictions or arrests (expunged or not) and business associations. As an ongoing condition of Executive's employment, Executive must be able to satisfy all applicable requirements of such governmental and regulatory authorities and obtain all necessary regulatory approvals and licenses.

2. Compensation of Executive

2.1. **Base Salary .** In consideration of the services to be rendered under this Agreement, while employed by the Company, the Company shall pay Executive an annual base salary ("Base Salary"), less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in regular periodic payments in accordance with Company payroll policy, as follows: (a) for the period from the Effective Date through December 31, 2018, a Base Salary at the rate of Three Hundred Fifty Thousand United States Dollars (US$350,000.00) per year, (b) for the period from January 1, 2019 through December 31, 2019, a Base Salary at the rate of Three Hundred Seventy-Five Thousand United States Dollars (US$375,000.00) per year, and (c) effective as of January 1, 2020, a Base Salary at the rate of Four Hundred Thousand United States Dollars (US$400,000.00) per year. Such Base Salary shall be prorated for any partial month of employment on the basis of a 30-day fiscal month. Such Base Salary shall be subject to

annual review by the compensation committee of the Board of Directors of Everi Holdings (the "Compensation Committee"), with the first such review to occur during the calendar year following the third anniversary of the Effective Date of this Agreement.

2.2. **Bonus .** For each full fiscal year of Executive's employment with the Company, Executive shall be eligible for an annual discretionary bonus (the "Cash Bonus") with a target amount equal to seventy-five percent (75%) of Executive's then current base salary and a maximum amount equal to one-hundred fifty percent (150%) of Executive's then current base salary. The actual amount of any such Cash Bonus is to be determined by the Compensation Committee based (a) twenty-five percent (25%) on Executive's individual performance, and (b) seventy-five percent (75%) on the achievement of certain corporate performance criteria or goals, in each case as established for the applicable calendar year by the Compensation Committee prior to or as soon as practicable after the commencement of such calendar year, but in no event later than March 15 of the applicable calendar year, and set forth in a written plan. Except as provided otherwise in this Agreement, Executive shall only be eligible to receive a Cash Bonus for a calendar year if Executive is employed on the last day of such calendar year. Any Cash Bonus awarded for a calendar year, if any, shall be paid in cash when other senior executives of the Company are paid, and, in any event, on or before March 15 th of the calendar year subsequent to the calendar year in which the Cash Bonus is earned.

2.3. **Benefits .** Executive shall be entitled to participate in any of the Company's group medical, dental, life insurance, 401(k) or other benefit plans and programs on the same terms and conditions as other members of the Company's senior executive management, based upon the eligibility dates described in the applicable benefit plan documents and subject to the terms and conditions of such plans. Executive shall be provided such perquisites of employment as are provided to all other members of the Company's senior executive management. Executive understands that the Company has adopted an "unlimited" vacation policy pursuant to which the Company does not limit senior executive officers' vacation time or sick days; accordingly, like the Company's other senior executive officers, Executive will not "accrue" paid time off days and will not be compensated for "unused" paid time off upon termination.

2.4. **Expense Reimbursements** . Executive shall be entitled to reimbursement of all reasonable expenses incurred by Executive in the performance of Executive's duties hereunder, in accordance with the policies and procedures established by the Company from time to time, and as may be amended from time to time. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.

2.5. **Equity Awards** . Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards in a quantity and with a frequency substantially similar to those regularly awarded to other members of the Company's senior executive management, other than the Chief Executive Officer, (each, an "Equity Award") under the applicable equity incentive plan of Everi Holdings as then in effect (the "Plan"), as determined by the Compensation Committee. Any such Equity Award will be subject to and governed by the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee, which Executive will be required to sign as a condition of retaining the Equity Award.

2.6. **Other** . In connection with the execution and delivery of this Agreement, the Company will (a) on or before the Effective Date, pay Executive a lump sum signing bonus of Fifty Thousand United States Dollars (US$50,000.00), less required withholdings and deductions,

via wire transfer to Executive's designated account, and (b) as of the Effective Date, (i) grant to Executive an Equity Award of Ten Thousand (10,000) shares of restricted stock of Everi Holdings which shares shall vest on the first anniversary of the Effective Date, and (ii) grant to Executive an Equity Award of options to purchase One Hundred Ten Thousand (110,000) shares of common stock of Everi Holdings, with an exercise price equal to the closing price of Everi Holdings' common stock on the date of grant, of which (A) options to purchase 82,500 shares of Everi Holdings' common stock, of which twenty-five percent (25%) of such option shares shall vest and become vested shares on each of the first four anniversaries of the date of grant, and (B) options to purchase 27,500 shares of Everi Holdings' common stock will be subject to performance-based vesting terms, pursuant to which twenty-five percent (25%) of the total number of option shares shall vest and become vested shares on each of the first four anniversaries of the date of grant (disregarding any resulting fractional share) (each such vesting date is referred to herein as a "Vesting Date" and each such vesting tranche is referred to herein as a "Tranche"), provided that as of the Vesting Date for each such Tranche the closing price of the Company's common shares on the New York Stock Exchange (the "Closing Price") is at least 25% greater than the Closing Price on the date of grant (such higher Closing Price, the "Price Hurdle"); provided, that if the Price Hurdle is not met as of the Vesting Date for a Tranche, then the Tranche shall vest and become Vested Shares on the last day of a period of thirty (30) consecutive trading days during which the Closing Price is at least equal to the Price Hurdle, and no shares shall become Vested Shares after the termination of the Equity Award. The Equity Awards described in this Section 2.6 (the "Effective Date Equity Awards") will be reflected in, and governed by, an applicable grant agreement to be executed by Executive in connection with such grant and containing the terms provided in Section 4.3.3.

3. Term

The term of the Agreement shall be three (3) years from the Effective Date (the "Initial Term"). The Company shall give written notice of intent to renew, or not renew, the Agreement one hundred and eighty (180) days prior to the expiration of the Initial Term. In the event that Company fails to give written notice of intent not to renew as provided above, the Agreement shall renew for successive one-year terms (each, a "Renewal Term") until terminated by either party upon giving ninety (90) days' written notice prior to the end of a Renewal Term. The Initial Term and any subsequent Renewal Term, taking into account any early termination of employment pursuant to Section 4, are referred to collectively as the "Term."

4. Termination of Employment

4.1. **Termination by Executive .** During the Term, Executive may terminate Executive's employment upon written notice to the Company. In the event that, during the Term, Executive terminates Executive's employment for any reason other than for Good Reason (as defined below in Section 4.3), all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the following: all Base Salary earned by Executive through the last day of Executive's employment but not yet paid, all reimbursable business expenses properly incurred by Executive pursuant to Section 2.4 through the last day of Executive's employment but not yet reimbursed, and all benefits earned by Executive pursuant to Section 2.3 through the last day of Executive's employment (the "Accrued Amounts"); provided however, in the event the Company elects to enforce the Noncompete Term (as defined in Section 7.2) following a termination under this Section 4.1, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Noncompete Term.

4.2. **Termination by the Company for Cause .** In the event that, during the Term, the Company terminates Executive's employment for Cause (as defined below), all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided however, in the event the Company elects to enforce the Noncompete Term following a termination under this Section 4.1, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Non-Compete Term. For the purposes of this Agreement, termination shall be for "Cause" if (a) Executive refuses or fails to act in accordance with any lawful order or instruction of the Chief Executive Officer or Board, and such refusal or failure to act has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board, as applicable, of such failure, (b) Executive is determined by the Chief Executive Officer or Board to have failed to devote reasonable attention and time to the business affairs of the Company, Everi Holdings and their subsidiaries and affiliates, (c) Executive is reasonably determined by the Chief Executive Officer or Board to have been (i) unfit for service (i.e., denied any license, permit or qualification required by, or found unsuitable by, any gaming regulator or other governmental authority), (ii) unavailable for service (other than as a result of an Incapacity (as defined below)), or (iii) grossly negligent in connection with the performance of Executive's duties on behalf of the Company, Everi Holdings and their subsidiaries and affiliates, which unfitness, unavailability or gross negligence has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same; (d) Executive is reasonably determined by the Chief Executive Officer or Board to have committed a material act of dishonesty or willful misconduct or to have acted in bad faith to the material detriment of the Company, Everi Holdings and/or their subsidiaries and affiliates in connection with the performance of Executive's duties hereunder; (e) Executive is convicted of a felony or other crime involving dishonesty, breach of trust, moral turpitude or physical harm to any person, or (f) Executive materially breaches any agreement with the Company or Everi Holdings which material breach has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same.

4.3. **Termination by the Company without Cause, or Termination by Executive for Good Reason .** In the event that, during the Term, the Company terminates Executive's employment without Cause (as defined below), or Executive terminates Executive's employment for Good Reason (as defined below), all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, the Accrued Amounts. In addition, and subject to the conditions set forth in Section 4.8 below, the Company shall pay to Executive the severance payments and benefits set forth below in Sections 4.3.1- 4.3.4 in accordance with the terms thereof. For purposes of this Agreement, the term "without Cause" shall mean termination of Executive's employment by the Company for reasons other than for "Cause" (and excluding any such termination resulting from Executive's Incapacity or death). For the purposes of this Agreement, termination shall be for "Good Reason" if (a) there is a material diminution of Executive's responsibilities or authority with the Company or Everi Holdings, or a material adverse change in the Executive's reporting responsibilities or title, in each case as they existed prior to such diminution or change without Executive's consent; (b) there is a material reduction by the Company in the Executive's compensation as then in effect, without Executive's consent; or (c) Executive's principal work locations are relocated outside of the Las Vegas, Nevada, USA metropolitan area without Executive's consent. Executive will be deemed not to have terminated Executive's employment for Good Reason unless (i) Executive has delivered written notice to the Company of Executive's intent to exercise the rights pursuant to this Section within thirty (30) days following the first occurrence of a condition that would constitute Good Reason and identifying the facts constituting such condition, and (ii) the Company has failed to remedy such condition within thirty (30) days following its receipt of such written notice, and (iii) the Executive's termination of employment for Good Reason is effective no later than one-hundred fifty (150) days following the first occurrence of such condition. Executive agrees that Executive may be required to travel from time to time as required by the Company's business and that such travel shall not constitute grounds for Executive to terminate Executive's employment for Good Reason.

4.3.1. Base Salary Continuation . If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason (a) during the first two (2) years of the Initial Term, the Company shall continue to pay Executive's Base Salary at the then-current rate of Executive (determined prior to any reduction constituting a condition giving rise to Good Reason) for a period equal to the greater of (i) one (1) year following the date of termination, or (ii) the period of time between the date of termination and the end of the second (2 nd) year of the Initial Term, and (b) during the third (3 rd) year of the Initial Term or during any Renewal Term, the Company shall continue to pay Executive's Base Salary at the then-current rate (determined prior to any reduction constituting a condition giving rise to Good Reason) for a period of one (1) year following the date of termination. Such salary continuation shall be paid to Executive in installments in accordance with the Company's regular payroll procedures, with the initial salary continuation payment to be made on the first regular payroll date of the Company following the Release Deadline (as defined in Section 4.8) and to include a catch-up payment for all regular Company payroll dates occurring between the date of Executive's termination of employment and such initial salary continuation payment date; provided, however, that if the period beginning on the date of Executive's termination of employment and ending on the first Company payroll date following the Release Deadline straddles two calendar years, then the salary continuation payments shall in any event begin in the second such calendar year. Salary continuation payments shall be subject to standard deductions and withholdings.

4.3.2. Target Bonus . If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason during the Term, the Company shall pay to Executive, less standard deductions and withholdings, an additional severance benefit in an amount equal to (a) one-hundred percent (100%) of Executive's then-current target bonus (based on the target bonus percentage) for the calendar year in which the termination occurs, plus (b) if such termination occurs during the first year of the Initial Term, an additional amount equal to one-hundred percent (100%) of Executive's then-current target bonus (based on the target bonus percentage) pro-rated for the number of months between the termination date and the end of the first year of the Initial Term, such aggregate amount to be in substantially equal installments concurrent with the salary continuation payments pursuant to Section 4.3.1 (including a catch-up payment as described therein).

4.3.3. Vesting of Equity Awards and Exercise Period . Upon the Company's termination of Executive's employment without Cause or Executive's termination of Executive's employment for Good Reason, then:

(a) any unvested portion of the Effective Date Equity Award granted to Executive as described in Section 2.6(b)(i) above and held by Executive immediately prior to such termination shall become vested;

(b) any unvested portion of the Effective Date Equity Award granted to Executive as described in Section 2.6(b)(ii)(A) above and held by Executive immediately prior to such termination shall become vested and shall be exercisable until the earlier of (i) one (1) year after the date of termination of Executive's employment and (ii) the scheduled expiration date of such award; and

(c) any unvested portion of the Effective Date Equity Award granted to Executive as described in Section 2.6(b)(ii)(B) above and held by Executive immediately prior to such termination shall, if the Closing Price on the date of termination equals or exceeds the Price Hurdle with respect to such award, become vested and shall be exercisable until the earlier of (i) one (1) year after the date of termination of Executive's employment and (ii) the scheduled expiration date of award.

(d) all other Equity Awards granted to Executive following the Effective Date and held by Executive immediately prior to such termination shall be governed by the terms of the applicable grant agreement pursuant to which such Equity Award is granted, in each case as determined by the Compensation Committee at the time of such grant.

4.3.4. Health Care Coverage . The Company shall, following the Executive's timely election, provide the Executive with continued coverage under the Company's group health insurance plans as then in effect in accordance with the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and any state law equivalent (" COBRA "), at no cost to Executive, for a period of time equal to the eighteen (18) months following the date of termination of Executive's employment. Notwithstanding the preceding sentence, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the " Code "), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of such applicable salary continuation period,

a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable withholdings and deductions, and Executive may, but is not obligated to, use such payments toward the cost of COBRA premiums.

4.4. **Termination by the Company for Incapacity .** In the event that, during the Term, Executive suffers an "Incapacity" (defined below) as determined by the Company in its reasonable discretion, the Company may elect to terminate Executive's employment pursuant to this Section 4.4. In such event, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's rights to payments or other benefits under any long-term disability plans of the Company in which Executive participates, if any. For the purposes of this Agreement, Executive shall be deemed to have suffered an "Incapacity" if Executive, due to any mental or physical illness, injury or limitation, has been unable to perform the essential duties and responsibilities of Executive's position for a period of at least one-hundred eighty (180) days in any rolling three hundred and sixty-five (365) day period.

4.5. **Termination upon Death .** In the event that, during the Term, Executive dies, Executive's employment shall be deemed to have terminated upon the date of death and all of the Company's duties and obligations under this Agreement shall cease. In such event, the Company shall pay Executive's estate, and Executive's estate shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's estate's or Executive's beneficiaries' rights to payments or other benefits under any life insurance plan or policy in which Executive participated or with respect to which Executive has designated a beneficiary, if any.

4.6. **Change in Control and Termination Payments**.

4.6.1. **Equity Award Acceleration**. Upon a Change in Control (as that or a substantially similar term is defined in the Plan), the vesting or termination of all outstanding Equity Awards shall continue to be governed under the terms of such Equity Awards.

4.6.2. **Parachute Payments**. Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "Excise Tax"), then the aggregate amount of the Payments will be either (a) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (b) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order (to the extent compliant with Section 409A of the Code and the regulations thereunder ("Section 409A")): (i) reduction of Payments that constitute "deferred compensation" (within the meaning of Section 409A), and if there is more than one such Payment, then such reduction shall be applied on a pro rata basis to all such Payments; (ii) reduction of Payments payable in cash that do not constitute deferred compensation; (iii) reduction of accelerated vesting of Equity Awards other than stock

options, if any; (iv) reduction of accelerated vesting of stock options, if any; and (v) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

4.6.3. Calculation . The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

4.7. **No Other Compensation or Benefits/No Duty to Mitigate .** Executive acknowledges that except as expressly provided in this Agreement, Executive shall not be entitled to any compensation, severance payments or benefits upon the termination of Executive's employment. The Company acknowledges that Executive is under no duty to seek other employment or otherwise mitigate the obligations of the Company under this Agreement and the Company shall have no right of off-set against the amounts owed to Executive by the Company on account of any remuneration or other benefit earned or received by Executive after Executive's termination by the Company.

4.8. **Conditions to Severance** . Executive will only be entitled to receive the severance payments and benefits set forth in Sections 4.3.1-4.3.4 if, on or before the sixtieth (60 th) day following the date of termination of Executive's employment (the " Release Deadline "), Executive executes a full general release of claims agreement in a form similar to Exhibit B hereto or the Company's then-current version thereof, releasing all claims, known or unknown, that Executive may have against the Company, Everi Holdings and their respective subsidiaries and affiliates, and each of their respective officers, directors, and employees arising out of or in any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release agreement has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 7 or 8, the Company shall have the right to (a) terminate further provision of any portion of the severance payments and benefits set forth in Sections 4.3.1-4.3.4 not yet paid or provided to Executive, (b) seek reimbursement in gross from Executive for any and all portions of the severance payments and benefits set forth in Sections 4.3.1-4.3.4 previously paid or provided to Executive, (c) recover from Executive all shares of Everi Holdings stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment (or the proceeds therefrom, reduced by any exercise or purchase price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment.

4.9. **Expiration of the Term .** For the avoidance of doubt, the exercise by the Company of its right to not extend the Agreement, or the expiration of this Agreement by its terms at the end of the Term, shall constitute a termination at the election of the Company without Cause.

5. Executive's Termination Obligations

5.1. **Return of Company's Property .** Without in any way limiting Executive's obligations and the Company's rights under the Employee Proprietary Information and Inventions Agreement described in Section 1.4, Executive hereby acknowledges and agrees that all books, manuals, records, reports, notes, contracts, lists, spreadsheets and other documents or materials, or copies thereof, and equipment furnished to or prepared by Executive in the course of or incident to Executive's employment, belong to Company and shall be promptly returned to Company upon termination of Executive's employment with the Company for any reason.

5.2. **Cooperation in Pending Work .** Following any termination of Executive's employment with the Company for any reason, Executive shall, at the Company's request, reasonably cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates and the orderly transfer of work to other employees of the Company, Everi Holdings and their respective subsidiaries and affiliates. Executive shall also cooperate, at the Company's request, in the defense of any action brought by any third party against the Company, Everi Holdings and/or their respective subsidiaries and affiliates that relates in any way to Executive's acts or omissions while employed by the Company.

5.3. **Resignation .** Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions as an employee, officer, director or manager then held with the Company, Everi Holdings or any of their respective subsidiaries or affiliates. Executive agrees to execute and deliver such documents or instruments as are reasonably requested by the Company, Everi Holdings or any such subsidiary or affiliate to evidence such resignations.

5.4. **Survival .** The representations and warranties contained herein and Executive's and the Company's obligations under Sections 3, 4, 5, 6, 7, 8 and 9 and under the Employee Proprietary Information and Inventions Agreement shall survive termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

5.5. **Mutual Nondisparagement .** Executive agrees that Executive will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of the Company, Everi Holdings and/or their respective subsidiaries and affiliates or their respective employees, officers or directors. The Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Executive.

6. Compliance with Section 409A of the Code .

6.1. This Agreement and all payments and benefits provided under this Agreement are intended to comply with, or be exempt from, Section 409A, and shall be construed and interpreted in accordance with such intent. However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement, and except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the

payment of any applicable taxes, penalties, interest, costs, fees, including attorneys' fees, or other liability incurred by Executive in connection with compensation paid or provided to Executive pursuant to this Agreement.

6.2. No amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of Section 409A shall be paid unless and until Executive has incurred a "separation from service" within the meaning of Section 409A. Furthermore, to the extent that Executive is a "specified employee" within the meaning of Section 409A (determined using the identification methodology selected by Company from time to time, or if none, the default methodology) as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall paid to Executive before the date (the " Delayed Payment Date ") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid in a lump sum on the Delayed Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the Delayed Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

6.3. Any right of Executive to receive installment payments under this Agreement shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

7. Restrictions on Competition after Termination

7.1. **Reasons for Restrictions .** Executive acknowledges that the nature of the business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that it would be extremely difficult for Executive to honor and comply with Executive's obligations under the Employee Proprietary Information and Inventions Agreement described in Section 1.4 to keep secret and confidential the trade secrets of the Company, Everi Holdings and/or their respective subsidiaries and affiliates if Executive were to become employed by or substantially interested in the business of a competitor of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that soon following the termination of Executive's employment with the Company, and it would also be extremely difficult to determine in any reasonably available forum the extent to which Executive was or was not complying with Executive's obligations under such circumstances .

7.2. **Duration of Restriction .** In consideration for the Company's and Everi Holdings' undertakings and obligations under this Agreement, and in light of Executive's unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, during the Noncompete Term (as defined below), Executive shall not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in any line of business in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates engages at the time of such termination, in the United States Canada, the United Kingdom or such other countries in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates conducts business at the time of such termination ("Restricted Territory"). For the avoidance of doubt, the foregoing shall not prohibit Executive from engaging in, owning an interest in, or participating in any business that processes credit card, debit card or automated teller machine transactions originated from outside of gaming establishments, unless the Company has expanded its operations to encompass such activities at the time of

termination. For purposes of this Agreement, the "Noncompete Term" shall mean the period of six (6) months after the termination of Executive's employment hereunder or, if greater, the period during which Executive continues to receive salary continuation payments pursuant to Section 4.3.1 above. The parties agree that ownership of no more than 1% of the outstanding voting stock of a publicly-traded corporation or other entity shall not constitute a violation of this provision. The parties intend that the covenants contained in this section shall be construed as a series of separate covenants, one for each county, city, state and other political subdivision of the Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this section. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in this section, then such unenforceable covenant (or such part) shall be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced by such court. It is the intent of the parties that the covenants set forth herein be enforced to the maximum degree permitted by applicable law.

7.3 **Assignment .** Executive expressly understands and agrees that all restrictions on employment and solicitation as set for in Sections 7 and 8 are fair and reasonable, and are a material part of this Agreement which would not be entered into by the parties absent mutual agreement to the assignability of the same. Executive further expressly understands and agrees that Executive's duties and obligations as set forth in Sections 7 and 8 of this Agreement may be assigned by the Company upon a Change in Control at Company's discretion. Executive agrees that Executive has received separate valuable and sufficient consideration in exchange for Company's right to assign Executive's obligations and duties as set for in Sections 7 and 8, such consideration to be paid in the amount of $5,000 upon all parties executing this Agreement.

8. Restrictions on Solicitation after Termination

In consideration for the Company's and Everi Holdings' undertakings and obligations under this Agreement, and in light of Executive's unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, for a period of two (2) years following the termination of Executive's employment hereunder for any reason, Executive shall not, without the prior written consent of the Company, directly or indirectly, as a sole proprietor, member of a partnership, stockholder or investor, officer or director of a corporation, or as an executive, associate, consultant, employee, independent contractor or agent of any person, partnership, corporation or other business organization or entity other than the Company solicit or endeavor to entice away from the Company, Everi Holdings and/or their respective subsidiaries and affiliates any person or entity who is, or, during the then most recent three-month period, was, employed by, or had served as an agent or key consultant of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, provided, however, that Executive shall not be prohibited from receiving and responding to unsolicited requests for employment or career advice from the Company's employees.

9. Arbitration

9.1. **Agreement to Arbitrate Claims .** The Company and Executive hereby agree that, to the fullest extent permitted by law, any and all claims or controversies between them (or between Executive and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the employment or the termination of employment of Executive shall be resolved by final and binding arbitration pursuant to the terms and conditions set forth in that certain National Mutual Arbitration Agreement for Employees of the Company executed by Executive (the "Arbitration Agreement") in the form attached hereto as Exhibit C Claims subject to the Arbitration Agreement shall include contract claims, tort claims, claims relating to

compensation and Equity Awards, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the California Fair Employment and Housing Act. However, claims for unemployment compensation, workers' compensation, and claims under the National Labor Relations Act shall not be subject to arbitration.

9.2. **Enforcement Actions.** Either the Company or Executive may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Except as otherwise provided in this Agreement, neither party shall initiate or prosecute any lawsuit in any way related to any arbitrable claim, including, without limitation, any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. All arbitration hearings under this Agreement shall be conducted in Las Vegas, Nevada.

9.3. **Exceptions.** Nothing in this Agreement precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. In addition, either party may, at its option, seek injunctive relief in a court of competent jurisdiction for any claim or controversy arising out of or related to the matters described in Sections 7 and 8 above or the unauthorized use, disclosure, or misappropriation of the confidential and/or proprietary information of either party in contravention of the Employee Proprietary Information and Inventions Agreement or otherwise. By way of example, the Company may choose to use the court system to seek injunctive relief to prevent disclosure of its proprietary information or trade secrets; similarly, Executive may elect to use the court system to seek injunctive relief to protect Executive's own inventions or trade secrets.

9.4. **Attorneys' Fees.** Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by law. The costs and fees of the arbitrator shall be borne equally by Executive and the Company.

9.5. **Survival.** The parties' obligations under this Agreement, where applicable including Section 7 and 8, shall survive the termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

9.6. **Acknowledgements.** THE PARTIES UNDERSTAND AND AGREE THAT THIS SECTION 9 CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS SECTION 9. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS SECTION 9 WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

10. Expiration

The terms of this Agreement are intended by the parties to govern Executive's employment with the Company during the Term. Upon the termination of Executive's employment with the Company for any reason, this Agreement shall expire and be of no further force or effect, except to the extent of provisions hereof which expressly survive the expiration or termination of this Agreement.

11. Entire Agreement

Except as otherwise expressly stated herein, the terms of this Agreement are intended by the parties to be the final and exclusive expression of their agreement with respect to the employment of Executive by Company and may not be contradicted by evidence of any prior or contemporaneous statements or agreements. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. To the extent any provisions in this Agreement are inconsistent with any provisions of the Exhibits, the provisions of the Exhibits shall supersede and be controlling.

12. Amendments, Waivers

This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and by a duly authorized representative of the Company other than Executive. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

13. Assignment; Successors and Assigns

Executive agrees that Executive may not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights or obligations under this Agreement, nor shall Executive's rights be subject to encumbrance or the claims of creditors. Any purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of the Company, Everi Holdings and/or their respective subsidiaries and affiliates with, or their merger into, any other corporation, or the sale by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of all or substantially all of their respective properties or assets, or the assignment by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of this Agreement and the performance of its obligations hereunder to any successor in interest.

14. Governing Law

The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Nevada, without regard to conflicts of laws. Each party consents to the jurisdiction and venue of the state or federal courts in Las Vegas, Nevada, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, except that injunctive relief may be sought in any court of competent jurisdiction

15. Acknowledgment

The parties acknowledge (a) that they have consulted with or have had the opportunity to consult with independent counsel of their own choice concerning this Agreement, and (b) that they have read and understand the Agreement, are fully aware of its legal effect, and have entered into it freely based on their own judgment and not on any representations or promises other than those contained in this Agreement.

16. Notices

All notices or demands of any kind required or permitted to be given by the Company or Executive under this Agreement shall be given in writing and shall be personally delivered (and receipted for) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Company:	Everi Payments Inc. Attn: CEO w/ copy to General Counsel 7250 S. Tenaya Way, Ste. 100 Las Vegas, NV 89113
If to Executive:	Harper Ko 10216 Hailey Lynne Road Las Vegas, Nevada 89183

Any such written notice shall be deemed received when personally delivered or three (3) days after its deposit in the United States mail as specified above. Either party may change its address for notices by giving notice to the other party in the name specified in this section.

17. Representations and Warranties

Upon reasonable belief, Executive represents and warrants that Executive is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Executive's execution and performance of this Agreement will not violate or breach any other agreements between Executive and any other person or entity.

18. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which together shall contribute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
President and Chief Executive Officer

EXECUTIVE

/s/ Harper H. Ko
Harper H. Ko

Acknowledged and Agreed:

EVERI HOLDINGS INC.

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
President and Chief Executive Officer

EXECUTIVE

/s/ Harper H. Ko
Harper H. Ko

EXHIBIT A

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

In consideration of my employment by Everi Payments Inc, a Delaware corporation (the "Company"), I hereby agree to certain restrictions placed by the Company on my use and development of information and technology of the Company and its parent, subsidiary and affiliate entities,, as more fully set out below.

1. Proprietary Information .

(a) Confidential Restrictions . I understand that, in the course of my work as an employee of the Company, I may have access to Proprietary Information (as defined below) concerning the Company. I acknowledge that the Company has developed, compiled, and otherwise obtained, often at great expense, this information, which has great value to the Company's business. I agree to hold in strict confidence and in trust for the sole benefit of the Company all Proprietary Information and will not disclose any Proprietary Information, directly or indirectly, to anyone outside of the Company, or use, copy, publish, summarize, or remove from Company premises such information (or remove from the premises any other property of the Company) except: (i) during my employment to the extent necessary to carry out my responsibilities as an employee of the Company or (ii) after termination of my employment, as specifically authorized in writing by a duly authorized officer of the Company. I further understand that the publication of any Proprietary Information through literature or speeches must be approved in advance in writing by a duly authorized officer of the Company.

(b) Proprietary Information Defined . I understand that the term "Proprietary Information" in this Agreement means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the business of the Company, the Company's parent or subsidiary entities or to the Company's affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in my possession or part of my general knowledge prior to my employment by the Company; or (iii) the information is disclosed to me without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. I further understand that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to me by the Company (or any affiliate of it), as well as written or verbal instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

(c) Information Use . I agree that I will maintain at my work area or in other places under my control only such Proprietary Information that I have a current "need to know," and that I will return to the appropriate person or location or otherwise properly dispose of Proprietary Information once my need to know no longer exists. I agree that I will not make copies of information unless I have a legitimate need for such copies in connection with my work.

(d) Third Party Information . I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the

Company and such third parties, during the term of my employment and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm, or corporation (except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party) or to use it for the benefit of anyone other than for the Company or such third party (consistent with the Company's agreement with such third party) without the express written authorization of a duly authorized officer of the Company.

2. Inventions .

(a) Defined; Statutory Notice . I understand that during the term of my employment, there are certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term "Invention Ideas" means all ideas, processes, inventions, technology, programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, trademarks, and service marks, and all improvements, rights, and claims related to the foregoing, that are conceived, developed, or reduced to practice by me alone or with others during the period of my employment with the Company, except for (1) Invention Ideas excluded in Schedule A , (2) Invention Ideas that I develop entirely on my own time without the Company's equipment, supplies, facilities or trade secret information except for those Invention Ideas that either relate at the time of conception or reduction to practice of the Invention Idea to the Company's business or actual or demonstrably anticipated research or development or result from any work performed by me for the Company, and (3) to the extent that any law applicable to my employment lawfully prohibits the assignment.

(b) Disclosure . I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to the Company all Invention Ideas and relevant records, which records will remain the sole property of the Company. I further agree that all information and records pertaining to any idea, process, invention, technology, program, original work of authorship, design, formula, discovery, patent, copyright, trademark, or service mark, that I do not believe to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during my period of employment or during the one-year period following termination of my employment, shall be promptly disclosed to the Company (such disclosure to be received in confidence). The Company shall examine such information to determine if in fact it is an Invention Idea subject to this Agreement.

(c) Assignment . I agree to assign and hereby do assign to the Company, without further consideration, my entire right, title, and interest (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of the Company, whether or not copyrightable or patentable.

(d) Assist with Registration . In the event any Invention Idea shall be deemed by the Company to be copyrightable or patentable or otherwise registrable, I will assist the Company (at its expense) in obtaining and maintaining letters patent or other applicable registrations and I will execute all documents and do all other things (including testifying at the Company's expense) necessary or proper to accomplish such registrations thereon and to vest the Company with full title thereto. Should the Company be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by me. I agree to maintain adequate and current records on the development of all Invention Ideas, which shall also remain the sole property of the Company.

(e) License for Other Inventions . If, in the course of my employment with the Company, I incorporate into Company property an invention owned by me or in which I have an interest, the Company is granted a nonexclusive, royalty-free, irrevocable, perpetual, world-wide license to make, modify, use and sell any invention as part of and in connection with the Company property.

(f) Exclusions . Except as disclosed in Schedule A attached hereto and incorporated herein, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement. To the best of my knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements thereon, that is now in existence between me and any other person or entity.

(g) Disclosure . I agree to disclose promptly to the Company all "Invention Ideas" and relevant records as defined in paragraph 2(a), above. I further agree to promptly disclose to the Company any idea that I do not believe to be an invention, but which is conceived, developed, or reduced to practice by me (alone or with others) while I am employed by the Company or during the one-year period following the termination of my employment. I will disclose the idea, along with all information and records pertaining to the idea, and the Company will examine the disclosure in confidence to determine if in fact it is an Invention Idea subject to this Agreement.

(h) Post-Termination Period . I agree that any idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement shall be presumed to be an Invention Idea if it is conceived, developed, use, sold, exploited, or reduced to practice by me or with my aid within one (1) year after my termination of employment with the Company. I can rebut this presumption if I prove that the idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement is not an Invention Idea covered by this Agreement.

3. Former or Conflicting Agreements . During my employment with the Company, I will not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others. I represent and warrant that I have returned all property and confidential information belonging to all prior employers, individuals and entities who have provided such property and confidential information to me, if any, as required by such prior employers, individuals and entities. I further represent and warrant that my performance of the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith. I have listed in Schedule A all other agreements concerning proprietary information or agreements to which I am a party and have attached copies of any agreements in my possession.

4. Government Contracts . I understand that the Company has or may enter into contracts with the government under which certain intellectual property rights will be required to be protected, assigned, licensed, or otherwise transferred and I hereby agree to execute such other documents and agreements as are necessary to enable the Company to meet its obligations under any such government contracts.

5. Termination . I hereby acknowledge and agree that all property, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents or materials or copies thereof, all equipment furnished to or prepared by me in the course of or incident to my employment, and all Proprietary Information belonging to the Company and will be promptly returned to the Company upon termination of my employment with the Company. Following my termination, I will not retain any written or other tangible material containing any Proprietary Information or information pertaining to any Invention Idea. I understand that my obligations contained in this Agreement will survive the termination of my employment and I will continue to make all disclosures required of me by paragraph 2(b). In the event of the termination of my employment, I agree, if requested by the Company, to sign and deliver the Termination Certificate attached as Schedule B hereto and incorporated herein. I ACKNOWLEDGE THAT THE COMPANY IS AN "AT-WILL" EMPLOYER AND NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO IMPLY THAT THE TERM OF MY EMPLOYMENT IS OF ANY DEFINITE DURATION. NO ONE OTHER THAN AN AUTHORIZED OFFICER OF THE COMPANY HAS THE AUTHORITY TO ALTER THIS ARRANGEMENT, TO ENTER INTO AN AGREEMENT FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME, OR TO MAKE ANY AGREEMENT CONTRARY TO THIS POLICY, AND ANY SUCH AGREEMENT MUST BE IN WRITING AND MUST BE SIGNED BY AN AUTHORIZED OFFICER OF THE COMPANY AND BY THE AFFECTED EMPLOYEE.

6. Remedies . I recognize that nothing in this Agreement is intended to limit any remedy of the Company under the California Uniform Trade Secrets Act or other federal or state law and that I could face possible criminal and

civil actions, resulting in imprisonment and substantial monetary liability, if I misappropriate the Company's trade secrets. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

7. Miscellaneous Provisions .

(a) Assignment . I agree that the Company may assign to another person or entity any of its rights under this Agreement.

(b) Governing Law; Severability . The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without giving effect to any conflicts or choice of law provisions that would result in the application of the laws of any jurisdiction other than the internal laws of the State of Nevada. If any provision of this Agreement, or application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

(c) Entire Agreement . The terms of this Agreement are the final expression of the parties' agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement; provided however that, to the extent that any provision of this Agreement is in conflict with, contrary to, or otherwise inconsistent with the intent of any provision of my Employment Agreement dated December 31, 2017, the terms of such Employment Agreement will prevail.

(d) Amendments; Waivers . This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by me and by a duly authorized representative of the Company. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity.

(e) Successors and Assigns . This Agreement shall be binding upon me and my heirs, executors, administrators, and successors, and shall inure to the benefit of the Company's successors and assigns.

(f) Application of this Agreement . I hereby agree that my obligations set forth in Sections 1 and 2 hereof and the definitions of Proprietary Information and Invention Ideas contained therein shall be equally applicable to Proprietary Information and Invention Ideas relating to any work performed by me for the Company prior to the execution of this Agreement.

8. Defend Trade Secrets Act . Pursuant to the Defend Trade Secrets Act of 2016, I acknowledge that I shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and may use the trade secret information in the court proceeding, if I (X) file any document containing the trade secret under seal and (Y) do not disclose the trade secret, except pursuant to court order.

ACKNOWLEDGEMENT & AGREEMENT

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON SCHEDULE A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, INVENTIONS, TECHNOLOGY, WRITINGS, PROGRAMS, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR TRADEMARKS, OR IMPROVEMENTS, RIGHTS, OR CLAIMS RELATING TO THE FOREGOING, THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date:_____ Employee Name: _____

_____
Employee Signature

SCHEDULE A

EMPLOYEE'S DISCLOSURE OF PRIOR INVENTIONS AND PRIOR AGREEMENTS

1. Prior Inventions. Except as set forth below, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or any claims, rights, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement:

   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____

2. Prior Agreements. Except as set forth below, I am aware of no prior agreements between me and any other person or entity concerning proprietary information or inventions (attach copies of all agreements in your possession):

   _____
   _____
   _____
   _____
   _____
   _____
   _____

Date: _____ Employee Name: _____

_____
Employee Signature

SCHEDULE B

TERMINATION CERTIFICATE CONCERNING EVERI PAYMENTS INC. (FORMERLY KNOWN AS GLOBAL CASH ACCESS, INC.) PROPRIETARY INFORMATION AND INVENTIONS

This is to certify that I have returned all property of Everi Payments Inc., a Delaware corporation (the "Company"), its parent entity and their respective subsidiaries and affiliates, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents and materials, Proprietary Information, and equipment furnished to or prepared by me in the course of or incident to my employment with the Company, and that I did not make or distribute any copies of the foregoing.

I further certify that I have reviewed the Employee Proprietary Information and Inventions Agreement signed by me and that I have complied with and will continue to comply with all of its terms, including, without limitation, (i) the reporting of any idea, process, invention, technology, writing, program, design, formula, discovery, patent, copyright, or trademark, or any improvement, rights, or claims related to the foregoing, conceived or developed by me and covered by the Agreement and (ii) the preservation as confidential of all Proprietary Information pertaining to the Company. This certificate in no way limits my responsibilities or the Company's rights under the Agreement.

On termination of my employment with the Company, I will be employed by _____ **[Name of New Employer] [in the _____ division]** and I will be working in connection with the following projects:

[Generally describe the projects]

_____
_____
_____
_____

Date: _____ Employee Name: _____

_____
Employee Signature

EXHIBIT B

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE OF ALL CLAIMS

This Confidential Separation Agreement and General Release of All Claims ("Agreement") is made by and between Everi Payments Inc. (formerly known as Global Cash Access, Inc.) ("Company") and [EXECUTIVE] ("Employee") with respect to the following facts:

A. Employee is employed by Company pursuant to an Employment Agreement setting forth the terms and conditions of employment dated as of July 18, 2016 and shall be effective on that date (collectively referred to as the "Employment Agreement").

B. Employee's employment with Company will terminate [without Cause] [for Good Reason] (as that term is defined in the Employment Agreement) effective [DATE] ("Separation Date"), and as of such date Employee has incurred a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended. As a result, Employee is entitled to those certain severance payments and benefits described in the Employment Agreement, provided Employee enters into this Agreement.

C. The parties desire to settle all claims and issues that have or could have been raised, in relation to, and arising out of, or in any way connected to, the acts, transactions or occurrences between them to date, including, but not limited to, Employee's employment with Company and the termination of that employment, on the terms set forth below.

THEREFORE, in consideration of the promises and mutual agreements set forth below, the parties agree as follows:

1. Severance Package . In exchange for the promises set forth herein and in compliance with the requirements set forth in the Employment Agreement, Company agrees to provide Employee with the payments and benefits set forth in Section 4 of the Employment Agreement ("Severance Package"), to which Employee is not otherwise entitled, absent entering into this Agreement. Employee acknowledges and agrees that this Severance Package constitutes adequate legal consideration for the promises and representations made by Employee in this Agreement. Employee acknowledges and agrees that if Employee violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Company may terminate any payments and the provision of benefits described herein, and seek such other damages or remedies as may be appropriate. Company acknowledges and agrees that if Company violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Employee may cease to perform any of his/her obligations described herein, and seek such other damages or remedies as may be appropriate.

2. General Release .

Each party knowingly and voluntarily releases and forever discharges other party, (and, as to Company, any parent or subsidiary corporations, divisions or affiliated corporations, partnerships or other affiliated entities of the foregoing, past and present, as well as their respective employees, officers, attorneys, directors, shareholders, agents, successors and assigns individually and in their business capacity) (collectively, "Released Parties"), of and from any and all claims, known and unknown, asserted or unasserted, which the Employee has or may have against Releases as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- Title VII of the Civil Rights Act of 1964;
- Sections 1981 through 1988 of Title 42 of the United States Code;

- The Employee Retirement Income Security Act of 1974 ("ERISA") (as modified below);
- The Immigration Reform and Control Act;
- The Americans with Disabilities Act of 1990;
- The Age Discrimination in Employment Act of 1967 (“ADEA”);
- The Worker Adjustment and Retraining Notification Act;
- The Fair Credit Reporting Act;
- The Family and Medical Leave Act;
- The Equal Pay Act;
- The Genetic Information Nondiscrimination Act of 2008;
- Chapter 613 of the Nevada Revised Statutes including the Nevada Equal Opportunities for Employment Law – Nev. Rev. Stat. § 613.310 et seq;
- Nevada Equal Pay Law – Nev. Rev. Stat. § 608.017;
- Nevada School Visitation Law – Nev. Rev. Stat. § 392.920;
- Nevada Wage Payment and Work Hour Law – Nev. Rev. Stat. § 608 et seq;
- Nevada Occupational Safety & Health Act – Nev. Rev. Stat. § 618 et seq
- any other federal, state or local law, rule, regulation, or ordinance;
- any public policy, contract, tort, or common law; and
- any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters.

2.1. This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims and all claims for attorneys’ fees, costs and expenses.

2.2. Each party expressly waives such party’s right to recovery of any type, including damages or reinstatement, in any administrative or court action, whether state or federal, and whether brought by itself or on its behalf, related in any way to the matters released herein. Employee further, waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Company or any other Released Party identified in this Agreement is a party.

2.3. The parties acknowledge that this general release is not intended to bar any claims that, by statute, may not be waived, such as Employee’s right to file a charge with the National Labor Relations Board or Equal Employment Opportunity Commission and other similar government agencies, and claims for statutory indemnity, workers’ compensation benefits or unemployment insurance benefits, as applicable, and any challenge to the validity of Employee’s release of claims under the Age Discrimination in Employment Act of 1967, as amended, as set forth in this Agreement. This general release also does not bar claims or causes of action related to defamation, libel or invasion of privacy. In addition, this general release does not affect

Employee's rights to indemnification by the Company nor Employee's coverage under the directors and officers insurance policies, if any, maintained by the Company.

2.4. Each party acknowledges that it may discover facts or law different from, or in addition to, the facts or law that such party knows or believes to be true with respect to the claims released in this Agreement and agrees, nonetheless, that this Agreement and the release contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of them.

2.5. Each party declares and represents that such party intends this Agreement to be complete and not subject to any claim of mistake, and that the release herein expresses a full and complete release and such party intends the release herein to be final and complete. Each party executes this release with the full knowledge that this release covers all possible claims against the Released Parties, to the fullest extent permitted by law.

3. Representation Concerning Filing of Legal Actions . Each party represents that, as of the date of this Agreement, such party has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the other party or any of the other party's Released Parties in any court or with any governmental agency related to the matters released in this Agreement.

4. Mutual Nondisparagement . Employee agrees that Employee will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Company or any of the other Released Parties. Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Employee.

5. Confidentiality and Return of Company Property . In accordance with the terms of his/her Employment Agreement, Employee understands and agrees that as a condition of receiving the Severance Package in paragraph 1, all Company property must be returned to Company. By signing this Agreement, Employee represents and warrants that Employee has returned to Company, all Company property, data and information belonging to Company and agrees that Employee will not use or disclose to others any confidential or proprietary information of Company or the Released Parties. In addition, each Party agrees to keep the terms of this Agreement confidential between Employee and Company, except that Employee may tell Employee's immediate family and attorney or accountant, if any, as needed, but in no event should Employee discuss this Agreement or its terms with any current or prospective employee of Company.

6. Continuing Obligations and Cooperation . Employee further agrees to comply with the continuing obligations regarding confidentiality set forth in the surviving provisions of the Employee Proprietary Information and Inventions Agreement previously signed by Employee. Employee also agrees that in accordance with his/her Employment Agreement, he/she will cooperate fully in the transition of her duties, and promptly and cooperatively answer any calls or emails the Company may have during the period she is receiving severance pay and/or benefits, without further compensation.

7. No Admissions . By entering into this Agreement, Company makes no admission that it has engaged, or is now engaging, in any unlawful conduct. The parties understand and acknowledge that this Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

8. Older Workers' Benefit Protection Act . This Agreement is intended to satisfy the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. sec. 626(f). Employee is advised to consult with an attorney before signing this Agreement.

8.1. Acknowledgments/Time to Consider . Employee acknowledges and agrees that (a) she has read and understands the terms of this Agreement; (b) she has been advised in writing to consult with an attorney before signing this Agreement; (c) she has obtained and considered such legal counsel as she deems necessary; (d) she has been given 21 days to consider whether or not to enter into this Agreement (although at her option, she may elect not to use the full 21-day period); and (e) by signing this Agreement on or after the Separation Date, Employee acknowledges that she does so freely, knowingly, and voluntarily.

8.2. Revocation/Effective Date . This Agreement shall not become effective or enforceable until the eighth day after Employee signs this Separation Agreement. In other words, Employee may revoke Employee's acceptance of this Separation Agreement within seven (7) days after the date Employee signs it. Employee's revocation must be in writing and received by Michael Rumbolz, Chief Executive Officer, mrumbolz@everi.com , 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113 on or before the seventh day in order to be effective. If Employee does not revoke acceptance within the seven (7) day period, Employee's acceptance of this Separation Agreement shall become binding and enforceable on the eighth day ("Effective Date"). The Severance Package will become due and payable in accordance with paragraph 1 above after the Effective Date, provided Employee does not revoke.

8.3. Preserved Rights of Employee . This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act that arise after the execution of this Agreement. In addition, this Agreement does not prohibit Employee from challenging the validity of this Agreement's waiver and release of claims under the Age Discrimination in Employment Act of 1967, as amended.

9. Severability . In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted and the validity and enforceability of the remaining provisions shall not be affected thereby.

10. Full Defense . This Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by Employee in breach hereof. Employee agrees that in the event an action or proceeding is instituted by the Company or any of the Released Parties in order to enforce the terms or provisions of this Agreement, the Company, or Released Parties, as applicable, shall be entitled to an award of reasonable costs and attorneys' fees incurred in connection with enforcing this Agreement, to the fullest extent permitted by law.

11. Affirmation . Employee affirms that Employee has been paid all compensation, wages, bonuses, and commissions due, and has been provided all leaves (paid or unpaid) and benefits to which Employee may be entitled.

12. Applicable Law . The validity, interpretation and performance of this Agreement shall be construed and interpreted according to the laws of the United States of America and the State of Nevada.

13. Counterparts . This Agreement may be signed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or e-mail in PDF format will have the same effect as physical delivery of the document bearing the original signature.

14. Entire Agreement; Modification . This Agreement, including the surviving provisions of the Employment Agreement and Employee Proprietary and Inventions Agreement previously executed by Employee, is intended to be the entire agreement between the parties, and supersedes and cancels any and all other and prior agreements, written or oral, between the parties regarding this subject matter. This Agreement may be amended only by a written instrument executed by all parties hereto.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Dated: _____, 20__ By: _____

EVERI PAYMENTS INC.

Dated: _____, 20__ By: _____

EXHIBIT C

FORM OF ARBITRATION AGREEMENT

NATIONAL MUTUAL ARBITRATION AGREEMENT
FOR EMPLOYEES OF EVERI PAYMENTS, INC.

EVERI PAYMENTS INC., its parent corporation (if any), affiliates, subsidiaries, divisions, successors, assigns and their current and former employees, officers, directors, and agents (hereafter collectively referred to as "the Company") seeks to work with our employees to resolve differences as soon as possible after they arise. Often times, differences can be eliminated through internal discussions between an employee and his/her supervisor. Other times, it may be helpful for Human Resources or other Company employees to become involved to help solve a dispute. To facilitate dispute resolution we have developed a binding arbitration process to settle disputes that are not resolved through more informal means.

The Company and you, on behalf of you, your heirs, administrators, executors, successors and assigns (hereinafter collectively referred to as "you" or "your") agree pursuant to this Arbitration Agreement ("Agreement") to arbitrate covered disputes, in lieu of litigating in court.

A. The Mutual Agreement to Arbitrate: Overview

The parties acknowledge that by agreeing to arbitration, they are WAIVING ANY RIGHTS TO A JURY TRIAL.

Except for the claims set forth in the paragraph below, you and the Company mutually agree to arbitrate any and all disputes, claims, or controversies ("claim") against the Company that could be brought in a court including, but not limited to, all claims arising out of your employment and the cessation of employment, including any claim that could have been presented to or could have been brought before any court. This Agreement to arbitrate includes, but is not limited to, claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964; the Fair Labor Standards Act; the Family and Medical Leave Act; the Americans with Disabilities Act of 1990; Section 1981 through 1988 of Title 42 of the United States Code; any state or local anti-discrimination laws; or any other federal, state, or local law, ordinance or regulation, or based on any public policy, contract, tort, or common law or any claim for costs, fees, or other expenses or relief, including attorney's fees. All claims which could be raised before a court must be raised by the time of the arbitration and the arbitrator shall apply the law accordingly.

Claims not covered by this Agreement are: (i) claims for workers' compensation benefits; (ii) claims for unemployment compensation benefits; (iii) claims based upon the Company's current (successor or future) stock option plans, employee pension and/or welfare benefit plans if those plans contain some form of a grievance, arbitration, or other procedure for the resolution of disputes under the plan; and (iv) claims by law which are not subject to mandatory binding pre-dispute arbitration pursuant to the Federal Arbitration Act, such as claims under the Dodd-Frank Wall Street Reform Act. Further, this Agreement does not prohibit the filing of an administrative charge with a federal, state, or local administrative agency such as the National Labor Relations Board (NLRB) or the Equal Employment Opportunity Commission (EEOC).

Likewise, as noted above, the Company agrees to arbitrate any claim against you as per the terms of this Agreement but retains all right to seek injunctions in aid of arbitration.

B. Class/Collective Action Waiver, Jury Waiver and Administrative Charges

The parties agree all claims must be pursued on an individual basis only. By signing this Agreement, you waive your right to commence, or be a party to, any class or collective claims or to bring jointly any claim against the Company with any other person, except as provided in the paragraph below. The parties agree any claim can be pursued, but only on an individual basis, except the lack of co-plaintiffs shall not, in and of itself, be a bar to pursuit of a pattern and practice claim.

In addition, nothing herein limits your right and the rights of others collectively to challenge the enforceability of this Agreement, including the class/collective action waiver. While the Company will assert that you have agreed to pursue all claims individually in the arbitral forum and may ask a court to compel arbitration of each individual's claims, to the extent the filing of such an action is protected concerted activity under the National Labor Relations Act, such filing will not result in threats, discipline or discharge.

C. Severability and Related Issues

The Arbitrator, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable, except any determination as to the enforceability of the class/collective action waiver shall be made solely by a court. If the prohibition against class/collective actions is deemed unlawful, then such action shall proceed forward in court as a collective or class action. If an arbitrator finds any other provision of this Agreement unenforceable, a court or arbitrator shall interpret or modify this Agreement, to the extent necessary, for it to be enforceable, subject to the sentence above. This Agreement shall be self-amending; meaning if by law or common law a provision is deemed unlawful or unenforceable that provision and the Agreement automatically, immediately and retroactively shall be amended, modified, and/or altered to be enforceable. The arbitrator shall have no power under this Agreement to consolidate claims and/or to hear a collective or class action.

D. The Arbitration Process

Any authorized decision or award of the arbitrator shall be final and binding upon the parties. The arbitrator shall have the power to award any type of legal or equitable relief available in a court of competent jurisdiction including, but not limited to, attorney's fees, to the extent such damages are available under law. Because any arbitral award may be entered as a judgment or order in any court of competent jurisdiction, any relief or recovery to which you may be entitled upon any claim (including those arising out of employment, cessation of employment, or any claim of unlawful discrimination) shall be limited to that awarded by the arbitrator. Again, the arbitrator has no power to consolidate claims or adjudicate a collective/class action. All orders of the arbitrator (except evidentiary rulings at the arbitration) shall be in writing and subject to review pursuant to the Federal Arbitration Act.

Any claim for arbitration will be timely only if brought within the time in which an administrative charge or complaint would have been filed if the claim is one which could be filed with an administrative agency. If the arbitration claim raises an issue which could not have been filed with an administrative agency, then the claim must be filed within the time set by the appropriate statute of limitation. A claim may be filed by serving written notice to the Company's Human Resources Department with a copy to General Counsel, 7250 S. Tenaya Way, Suite 100, Las Vegas, Nevada 89113, and thereafter by filing an action with JAMS pursuant to JAMS Employment Arbitration Rules. The filing party is responsible for any filing fee absent extreme financial circumstances. Each party shall bear its own costs and

expenses for the arbitration however the arbitrator's fee shall be paid by the Company, absent an award from the arbitrator.

The arbitration shall be arbitrated by a single arbitrator in accordance with the JAMS Employment Arbitration Rules except all arbitrators or members of the appeal panel (which is discussed below) must be members of the bar in good standing in the state in which the dispute arose. Each party may be represented by counsel.

A copy of the JAMS Employment Arbitration Rules, including forms and procedures for submitting a matter for arbitration, are available for you to review at the Human Resource Department. You may contact JAMS to request a copy of these rules or obtain them from the JAMS website (www.jamsadr.com) or by calling JAMS at 1(800)352-5267. If for whatever reason JAMS declines to act as the neutral, the parties shall utilize NAM (www.namadr.com) as the neutral for the arbitration/appeal and shall utilize its Rules for Resolution of Employment Disputes. Each party agrees that it has had an opportunity to review the current JAMS Employment Arbitration Rules.

E. Modification to NAM/JAMS Rules

The arbitrator shall apply the Federal Rules of Civil Procedure (except for Rule 23) and the Federal Rules of Evidence as interpreted in the jurisdiction where the arbitration is held. Also there shall be one arbitrator for the matter up and through submission and determination of a motion for summary judgment. If a summary judgment is made, the arbitrator must render a written and detailed opinion on that motion within sixty (60) calendar days of submission of all supporting and opposition papers. If the summary judgment is in any part denied the case shall proceed to hearing before another arbitrator, who did not hear the summary judgment motion. That arbitrator shall be selected from a new panel to be provided by JAMS (or if JAMS declines to be the third party administrator, NAMS). If no summary judgment is filed then no new arbitrator will be selected to hear the matter, as the original arbitrator will retain jurisdiction.

F. Consideration For This Agreement

This mutual agreement to arbitration and your accepting employment with the Company shall act as consideration for this Agreement. The parties agree that the consideration set forth in this paragraph is wholly adequate to support this Agreement.

G. Other Provisions of this Agreement

To the extent any of the provisions herein conflict with any standard rules of the arbitration service being used, the express provisions of this Agreement shall prevail.

Neither the terms nor conditions described in this Agreement are intended to create a contract of employment for a specific duration of time. Employment with the Company is voluntarily entered into, and you are free to resign at any time. Similarly, the Company may terminate the employment relationship at any time for any reason, with or without prior notice. This Agreement shall survive the termination of your employment.

This Agreement shall be governed by and enforced pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-16, to the maximum extent permitted by applicable law.

This Agreement contains the complete agreement between the parties regarding the subjects covered in it, and supersedes any prior or inconsistent agreements that might exist between you and the Company. This Agreement can be modified only by an express written agreement signed by both you and the President of the Company.

I KNOWINGLY AND FREELY AGREE TO THIS MUTUAL AGREEMENT TO ARBITRATE CLAIMS, WHICH OTHERWISE COULD HAVE BEEN BROUGHT IN COURT. I AFFIRM THAT I HAVE HAD SUFFICIENT TIME TO READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT AND THAT I HAVE BEEN ADVISED OF MY RIGHT TO SEEK LEGAL COUNSEL REGARDING THE MEANING AND EFFECT OF THIS AGREEMENT PRIOR TO SIGNING. BY ISSUANCE OF THIS AGREEMENT, THE COMPANY AGREES TO BE BOUND TO ITS TERMS WITHOUT ANY REQUIREMENT TO SIGN THIS AGREEMENT.

_____ _____

Employee Date

EXHIBIT 10.2

INDEMNIFICATION AGREEMENT

This Indemnification Agreement, dated March 7, 2019, is made between Everi Holdings Inc., a Delaware corporation (the " Company "), and _____ (the " Indemnitee ").

RECITALS

A. The Company desires to attract and retain the services of talented and experienced individuals, such as Indemnitee, to serve as directors and officers of the Company and its subsidiaries and wishes to indemnify its directors and officers to the maximum extent permitted by law;

B. The Company and Indemnitee recognize that corporate litigation in general has subjected directors and officers to expensive litigation risks;

C. Section 145 of the General Corporation Law of Delaware, under which the Company is organized (" Section 145 "), empowers the Company to indemnify its directors and officers by agreement and to indemnify persons who serve, at the request of the Company, as the directors and officers of other corporations or enterprises, and expressly provides that the indemnification provided by Section 145 is not exclusive;

D. Section 145(g) allows for the purchase of management liability ("D&O") insurance by the Company, which in theory can cover asserted liabilities without regard to whether they are indemnifiable by the Company or not;

E. Individuals considering service or presently serving expect to be extended market terms of indemnification commensurate with their position, and that entities such as Company will endeavor to maintain appropriate D&O insurance; and

F. In order to induce Indemnitee to serve or continue to serve as a director or officer of the Company and/or one or more subsidiaries of the Company, or otherwise serve the Company in an indemnifiable capacity as set forth below, the Company and Indemnitee enter into this Agreement.

AGREEMENT

NOW, THEREFORE, Indemnitee and the Company hereby agree as follows:

1. Definitions . As used in this Agreement:

(a) " Agent " means any person who is or was a director, officer, employee or other agent of the Company or a subsidiary of the Company; or is or was serving at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company as a director, officer, employee or agent of another foreign or domestic corporation, limited liability company, employee benefit plan, nonprofit entity, partnership, joint venture, trust or other enterprise, including as a deemed fiduciary thereto; or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Company or a subsidiary of the Company, or was a director, officer, employee or agent of another enterprise at the request of, for the convenience of, or to represent the interests of such predecessor corporation.

(b) " Board " means the Board of Directors of the Company.

(c) A " Change in Control " shall be deemed to have occurred if (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation

owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing a majority of the total voting power represented by the Company's then outstanding voting securities, (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board, together with any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination was previously so approved, cease for any reason to constitute a majority of the Board, (iii) the stockholders of the Company approve a merger or consolidation or a sale of all or substantially all of the Company's assets with or to another entity, other than a merger, consolidation or asset sale that would result in the holders of the Company's outstanding voting securities immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least a majority of the total voting power represented by the voting securities of the Company or such surviving or successor entity outstanding immediately thereafter, or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company.

(d) " Expenses " shall include all out-of-pocket costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements), actually and reasonably incurred by Indemnitee in connection with either the investigation, defense, or appeal of a Proceeding, or establishing or enforcing a right to indemnification under this Agreement, or Section 145 or otherwise; provided, however, that "Expenses" shall not include any judgments, fines, ERISA excise taxes or penalties, or amounts paid in settlement of a Proceeding.

(e) " Independent Counsel " means a law firm, or a partner (or, if applicable, member) of such a law firm, that is experienced in relevant matters of corporation law and neither currently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party or (ii) any other party to or witness in the proceeding giving rise to a claim for indemnification hereunder. But "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. Where required by this Agreement, Independent Counsel shall be retained at the Company's sole expense.

(f) " Proceeding " means any threatened, pending, or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or any other proceeding whether formal or informal, civil, criminal, administrative, or investigative, including any such investigation or proceeding instituted by or on behalf of the Corporation or its Board of Directors, in which Indemnitee is or reasonably may be involved as a party or target, that is associated with Indemnitee's being an Agent of the Corporation.

(g) " Subsidiary " means any corporation of which more than 50% of the outstanding voting securities is owned directly or indirectly by the Company, by the Company and/or one or more other subsidiaries.

2. Agreement to Serve . Indemnitee agrees to serve and/or continue to serve as an Agent of the Company, at its will (or under separate agreement, if such agreement exists), in the capacity Indemnitee currently serves as an Agent of the Company, so long as Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws of the Company or any subsidiary of the Company or until such time as Indemnitee tenders his or her resignation in writing; provided, however, that nothing contained in this Agreement is intended to create any right to continued employment or other service by Indemnitee.

3. Liability Insurance .

(a) Maintenance of D&O Insurance . The Company hereby covenants and agrees that, so long as Indemnitee shall continue to serve as an Agent of the Company and thereafter so long as Indemnitee shall be subject to any possible Proceeding by reason of the fact that Indemnitee was an Agent of the Company, the Company, subject to Section 3(c), shall promptly obtain and maintain in full force and effect directors' and officers' liability insurance (" D&O Insurance ") in reasonable amounts from established and reputable insurers of a minimum A.M. Best rating of A- VII, and as more fully described below. In the event of a Change in Control, the Company shall, as set forth in

Section (c) below, either: i) maintain such D&O Insurance for six years; or ii) purchase a six year tail for such D&O Insurance. Should a tail policy be purchased, such tail shall be placed and serviced by the Company's D&O insurance broker at that time, and under the same or better terms and limits in place at that time.

(b) Rights and Benefits . In all policies of D&O Insurance, Indemnitee shall qualify as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's Agents of the same standing as Indemnitee.

(c) Limitation on Required Maintenance of D&O Insurance . Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain D&O Insurance at all, or of any type, terms, or amount, if the Company determines in good faith and after using commercially reasonable efforts that: such insurance is not reasonably available; the premium costs for such insurance are disproportionate to the amount of coverage provided; the coverage provided by such insurance is limited so as to provide an insufficient or unreasonable benefit; Indemnitee is covered by similar insurance maintained by a subsidiary of the Company; or the Company is to be acquired and a tail policy of reasonable terms and duration can be purchased for pre-closing acts or omissions by Indemnitee.

4. Mandatory Indemnification . Subject to the terms of this Agreement:

(a) Third Party Actions . If Indemnitee is a person who was or is a party or is threatened to be made a party to any Proceeding (other than an action by or in the right of the Company) by reason of the fact that Indemnitee is or was an Agent of the Company, or by reason of anything done or not done by Indemnitee in any such capacity, the Company shall indemnify Indemnitee against all Expenses and liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes and penalties, and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, provided Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(b) Derivative Actions . If Indemnitee is a person who was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company by reason of the fact that Indemnitee is or was an Agent of the Company, or by reason of anything done or not done by Indemnitee in any such capacity, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, provided Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification under this Section 4(b) shall be made in respect to any claim, issue or matter as to which Indemnitee shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction unless and only to the extent that the Delaware Court of Chancery or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such amounts which the Delaware Court of Chancery or such other court shall deem proper.

(c) Actions where Indemnitee is Deceased . If Indemnitee is a person who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that Indemnitee is or was an Agent of the Company, or by reason of anything done or not done by Indemnitee in any such capacity, and if, prior to, during the pendency of or after completion of such Proceeding Indemnitee is deceased, the Company shall indemnify Indemnitee's heirs, executors and administrators against all Expenses and liabilities of any type whatsoever to the extent Indemnitee would have been entitled to indemnification pursuant to this Agreement were Indemnitee still alive.

(d) Certain Terminations . The termination of any Proceeding or of any claim, issue, or matter therein by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(e) Limitations . Notwithstanding the foregoing provisions of Sections 4(a), 4(b), 4(c) and 4(d) hereof, but subject to the exception set forth in Section 13 which shall control, the Company shall not be obligated to indemnify the Indemnitee for Expenses or liabilities of any type whatsoever for which payment (and the Company's indemnification obligations under this Agreement shall be reduced by such payment) is actually made to or on behalf of Indemnitee, by the Company or otherwise, under a corporate insurance policy, or under a valid and enforceable indemnity clause, right, by-law, or agreement; and, in the event the Company has previously made a payment to Indemnitee for an Expense or liability of any type whatsoever for which payment is actually made to or on behalf of the Indemnitee from any such source, Indemnitee shall return to the Company the amounts subsequently received by the Indemnitee that source; provided, however, that payment made to Indemnitee pursuant to an insurance policy purchased and maintained by Indemnitee at his or her own expense of any amounts otherwise indemnifiable or obligated to be made pursuant to this Agreement shall not reduce the Company's obligations to Indemnitee pursuant to this Agreement.

(f) Witness . In the event that Indemnitee is not a party or threatened to be made a party to a Proceeding, but is subpoenaed (or given a written request to be interviewed by or provide documents or information to a government authority) in such a Proceeding by reason of the fact that the Indemnitee is or was an Agent of the Company, or by reason of anything witnessed or allegedly witnessed by the Indemnitee in that capacity, the Company shall indemnify the Indemnitee against all actually and reasonably incurred out of pocket costs (including without limitation legal fees) incurred by the Indemnitee in responding to such subpoena or written request for an interview.

5. Indemnification for Expenses in a Proceeding in Which Indemnitee is Wholly or Partly Successful .

(a) Successful Defense . Notwithstanding any other provisions of this Agreement, to the extent Indemnitee has been successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, an action by or in the right of the Company) in which Indemnitee was a party by reason of the fact that Indemnitee is or was an Agent of the Company at any time, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense or appeal of such Proceeding.

(b) Partially Successful Defense . Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to any Proceeding (including, without limitation, an action by or in the right of the Company) in which Indemnitee was a party by reason of the fact that Indemnitee is or was an Agent of the Company at any time and is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter.

(c) Successful on the Merits . For purposes of this section and without limitation, Indemnitee will be deemed to have been "successful on the merits" in circumstances including but not limited to the termination of any Proceeding or of any claim, issue or matter therein, by the winning of a dismissal (with or without prejudice), motion for summary judgment, settlement (with or without court approval), or upon a plea of nolo contendere or its equivalent.

(d) Contribution . If the indemnification provided in this Agreement is unavailable and may not be paid to Indemnitee, then to the extent allowed by law, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and Indemnitee on the other hand from the transaction from which such action, suit or proceeding arose, and (ii) the relative fault of Company on the one hand and of Indemnitee on the other in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of Indemnitee on the other shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information, active or passive conduct, and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The Company agrees that it would

not be just and equitable if contribution pursuant to this section were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

(e) Settlements by Company . The Company may not settle any claim held by Indemnitee without express written consent of Indemnitee, which may be given or withheld in Indemnitee's sole discretion.

6. Mandatory Advancement of Expenses .

(a) Subject to the terms of this Agreement and following notice pursuant to Section 7(a) below, the Company shall advance, interest free, all Expenses reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding to which Indemnitee is a party or is threatened to be made a party by reason of the fact that Indemnitee is or was an Agent of the Company (unless there has been a final determination such that Indemnitee is not entitled to indemnification for such Expenses). Such advances are intended to be an obligation of the Company to Indemnitee hereunder and shall in no event be deemed to be a personal loan. Such advancement of Expenses shall otherwise be unsecured and without regard to Indemnitee's ability to repay. Advances shall be made without regard to Indemnitee's ultimate entitlement to be indemnified, held harmless or exonerated under the other provisions of this Agreement, and Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. The advances to be made hereunder shall be paid by the Company to Indemnitee within 30 days following delivery of a written request therefore by Indemnitee to the Company, along with such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the claimant is entitled to advancement (which shall include without limitation reasonably detailed invoices for legal services, but with disclosure of confidential work product not required); moreover, in no case shall Indemnitee be required to convey any information that would cause Indemnitee to waive any privilege accorded by applicable law. The Company shall discharge its advancement duty by, at its option, (a) paying such Expenses on behalf of Indemnitee, (b) advancing to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimbursing Indemnitee for Expenses already paid by Indemnitee. In the event that the Company fails to pay Expenses as incurred by Indemnitee as required by this paragraph, Indemnitee may seek mandatory injunctive relief (including without limitation specific performance) from any court having jurisdiction to require the Company to pay Expenses as set forth in this paragraph. If Indemnitee seeks mandatory injunctive relief pursuant to this paragraph, it shall not be a defense to enforcement of the Company's obligations set forth in this paragraph that Indemnitee has an adequate remedy at law for damages.

(b) Undertakings. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which constitutes an undertaking whereby Indemnitee promises to repay any amounts advanced if and to the extent that it shall ultimately be determined that Indemnitee is not entitled to indemnification by the Company. No other undertaking shall be required.

7. Notice and Other Indemnification Procedures .

(a) Notice by Indemnitee . Promptly after receipt by Indemnitee of notice of the commencement of or the threat of commencement of any Proceeding, Indemnitee shall, if Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company in writing of the commencement or threat of commencement thereof *provided* , *however* , that a delay in giving such notice will not deprive Indemnitee of any right to be indemnified under this Agreement unless, and then only to the extent that, the Company did not otherwise learn of the Proceeding and such delay is materially prejudicial to the Company; and, *provided* , *further* , that notice will be deemed to have been given without any action on the part of Indemnitee in the event the Company is a party to the same Proceeding and has notice thereof.

(b) Insurance . If the Company receives notice pursuant to Section 7(a) hereof of the commencement of a Proceeding that may be covered under D&O Insurance then in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. Upon request of Indemnitee, the Company will instruct the insurers and their insurance brokers that they may communicate directly with Indemnitee regarding such claim.

(c) Defense . In the event the Company shall be obligated to pay the Expenses of any Proceeding against Indemnitee, the Company shall be entitled to assume the defense of such Proceeding, with counsel selected by the Company and approved by Indemnitee (which approval shall not be unreasonably withheld), upon the delivery to Indemnitee of written notice of the Company's election so to do. After delivery of such notice, and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, provided that (i) Indemnitee shall have the right to employ his or her own counsel in any such Proceeding at Indemnitee's expense; and (ii) Indemnitee shall have the right to employ his or her own counsel in any such Proceeding at the Company's expense if (A) the Company has authorized the employment of counsel by Indemnitee at the expense of the Company; (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense; (C) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding; or (D) the fees and expenses are non-duplicative and reasonably incurred in connection with Indemnitee's role in the Proceeding despite the Company's assumption of the defense. In addition to all the requirements above, if the Company has D&O Insurance, or other insurance, with a panel counsel requirement that may cover the matter for which indemnity is claimed by Indemnitee, then Indemnitee shall use such panel counsel or other counsel approved by the insurers, unless there is an actual conflict of interest posed by representation by all such counsel, or unless and to the extent Company waives such requirement in writing. Indemnitee and his counsel shall provide reasonable cooperation with such insurer on request of the Company.

8. Right to Indemnification .

(a) Right to Indemnification . In the event that Section 5(a) is inapplicable, the Company shall indemnify Indemnitee pursuant to this Agreement unless, and except to the extent that, it shall have been determined by one of the methods listed in Section 8(b) that Indemnitee has not met the applicable standard of conduct required to entitle Indemnitee to such indemnification.

(b) Determination of Right to Indemnification . A determination of Indemnitee's right to indemnification under this Section 8 shall be made at the election of the Board by (i) a majority vote of directors who are not parties to the Proceeding for which indemnification is being sought, even though less than a quorum, or by a committee consisting of directors who are not parties to the Proceeding for which indemnification is being sought, who, even though less than a quorum, have been designated by a majority vote of the disinterested directors, or (ii) if there are no such disinterested directors or if the disinterested directors so direct, by Independent Counsel chosen by the Company in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. However, in the event there has been a Change in Control, then the determination shall, at Indemnitee's sole option, be made by Independent Counsel as in (b)(ii), above, with Indemnitee choosing the Independent Counsel subject to Company's consent, such consent not to be unreasonably withheld.

(c) Submission for Decision . As soon as practicable, and in no event later than 30 days after Indemnitee's written request for indemnification, the Board shall select the method for determining Indemnitee's right to indemnification. Indemnitee shall cooperate with the person or persons or entity making such determination with respect to Indemnitee's right to indemnification, including providing to such person, persons or entity, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel or member of the Board shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement.

(d) Application to Court . If (i) a claim for indemnification or advancement of Expenses is denied, in whole or in part, (ii) no disposition of such claim is made by the Company within 60 days after the request therefore, (iii) the advancement of Expenses is not timely made pursuant to Section 6 of this Agreement or (iv) payment of indemnification is not made pursuant to Section 5 of this Agreement, Indemnitee shall have the right at his option to apply to the Delaware Court of Chancery, a California state or federal court, the court in which the Proceeding is or was pending, or any other court of competent jurisdiction, for the purpose of enforcing Indemnitee's right to indemnification (including the advancement of Expenses) pursuant to this Agreement. Upon written request by Indemnitee, the Company shall consent to service of process.

(e) Expenses Related to the Enforcement or Interpretation of this Agreement. The Company shall indemnify Indemnitee against all reasonable Expenses incurred by Indemnitee in connection with any hearing or proceeding under this Section 8 involving Indemnitee, and against all reasonable Expenses incurred by Indemnitee in connection with any other proceeding between the Company and Indemnitee to the extent involving the interpretation or enforcement of the rights of Indemnitee under this Agreement, if and to the extent Indemnitee is successful.

(f) In no event shall Indemnitee's right to indemnification (apart from advancement of Expenses) be determined prior to a final adjudication in a Proceeding at issue if the Proceeding is both ongoing, and of the nature to have a final adjudication.

(g) In any proceeding to determine Indemnitee's right to indemnification or advancement, Indemnitee shall be presumed to be entitled to indemnification or advancement, with the burden of proof on the Company to prove, by a preponderance of the evidence (or higher standard if required by relevant law) that Indemnitee is not so entitled.

(h) Indemnitee shall be fully indemnified for those matters where, in the performance of his duties for the Company, he relied in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company's officers or employees, or committees of the board of directors, or by any other person as to matters Indemnitee reasonably believed were within such other person's professional or expert competence and who was selected with reasonable care by or on behalf of the Company.

9. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated:

(a) Claims Initiated by Indemnitee. To indemnify or advance Expenses to Indemnitee with respect to Proceedings or claims initiated or brought voluntarily by Indemnitee (including cross actions), with a reasonable allocation where appropriate, unless (i) such indemnification is expressly required to be made by law, (ii) the Proceeding was authorized by the Board, (iii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under the General Corporation Law of Delaware or (iv) the Proceeding is brought pursuant to Section 8 specifically to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145 in advance of a final determination, in which case 8(e)'s fees-on-fees provision shall control.

(b) Fees on Fees. To indemnify Indemnitee for any Expenses incurred by Indemnitee with respect to any Proceeding instituted by Indemnitee to enforce or interpret this Agreement, to the extent a court of competent jurisdiction in a final adjudication not subject to further appeal finds each of Indemnitee's allegations to be either frivolous or brought in bad faith.

(c) Unauthorized Settlements. To indemnify Indemnitee under this Agreement for any amounts paid in settlement of a Proceeding unless the Company consents to such settlement, which consent shall not be unreasonably withheld.

(d) Claims Under Section 16(b). To indemnify Indemnitee for Expenses associated with any Proceeding related to, or the payment of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law (provided, however, that the Company must advance Expenses for such matters as otherwise permissible under this Agreement).

(e) Payments Contrary to Law. To indemnify or advance Expenses to Indemnitee for which payment is prohibited by applicable law as determined by a court of competent jurisdiction in a final adjudication not subject to further appeal.

(f) Required Reimbursement. To indemnify Indemnitee for any reimbursement of the Company by Indemnitee of any compensation, including bonus or other incentive-based or equity-based compensation or of any

profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the ’33 or ’34 Acts (including without limitation reimbursements that (i) arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002, or (ii) arise pursuant to regulations or policies adopted in compliance with Section 954 of the Investor Protection and Securities Reform Act of 2010).

10. Non-Exclusivity . The provisions for indemnification and advancement of Expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Company’s Certificate of Incorporation or Bylaws, the vote of the Company’s stockholders or disinterested directors, other agreements, or otherwise, both as to action in Indemnitee’s official capacity and as to action in another capacity while occupying Indemnitee’s position as an Agent of the Company. Indemnitee’s rights hereunder shall continue after Indemnitee has ceased acting as an Agent of the Company and shall inure to the benefit of the heirs, executors and administrators of Indemnitee.

11. Permitted Defenses . It shall be a defense to any action for which a claim for indemnification is made under this Agreement (other than an action brought to enforce a claim for Expenses pursuant to Section 6 hereof, provided that the required documents have been tendered to the Company) that Indemnitee is not entitled to indemnification because of the limitations set forth in Sections 4 and 9 hereof. Neither the failure of the Company or an Independent Counsel to have made a determination prior to the commencement of such enforcement action that indemnification of Indemnitee is proper in the circumstances, nor an actual determination by the Company or an Independent Counsel that such indemnification is improper, shall be a defense to the action or create a presumption that Indemnitee is not entitled to indemnification under this Agreement or otherwise. In making any determination concerning Indemnitee’s right to indemnification, there shall be a presumption that Indemnitee has satisfied the applicable standard of conduct, and the Company may overcome such presumption only by its adducing clear and convincing evidence to the contrary. Any determination by the Company concerning Indemnitee’s right to indemnification that is adverse to Indemnitee may be challenged by the Indemnitee in the Court of Chancery of the State of Delaware.

12. Subrogation . Subject to the limitations of Section 13, in the event the Company is obligated to make a payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents reasonably required and take all action that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights (provided that the Company pays Indemnitee’s costs and expenses of doing so), including without limitation by assigning all such rights to the Company or its designee to the extent of such indemnification or advancement of Expenses. The Company’s obligation to indemnify or advance expenses under this Agreement shall be reduced by any amount Indemnitee has collected from such other source, and in the event that Company has fully paid such indemnity or expenses, Indemnitee shall return to the Company any amounts subsequently received from such other source of indemnification.

13. Primacy of Indemnification . The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of expenses, or liability insurance provided by a third-party investor and certain of its affiliates (collectively, the “Fund Indemnitors”). The Company hereby agrees that (i) it is the indemnitor of first resort, *i.e.* , its obligations to Indemnitee under this Agreement and any indemnity provisions set forth in its Certificate of Incorporation, Bylaws or elsewhere (collectively, “Indemnity Arrangements”) are primary, and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee is secondary and excess, (ii) it shall advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of Indemnitee, to the extent legally permitted and as required by any Indemnity Arrangement, without regard to any rights Indemnitee may have against the Fund Indemnitors, and (iii) it irrevocably waives, relinquishes and releases the Fund Indemnitors from any claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind arising out of or relating to any Indemnity Arrangement. The Company further agrees that no advancement or indemnification payment by any Fund Indemnitor on behalf of Indemnitee shall affect the foregoing, and the Fund Indemnitors shall be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third

party beneficiaries of the terms of this Section 13. The Company, on its own behalf and on behalf of its insurers to the extent allowed by its insurance policies, waives subrogation rights against Indemnitee and Fund Indemnitors.

14. Information Sharing. If Indemnitee is the subject of or is implicated in any investigation, whether formal or informal, by a government or regulatory entity or agency, the Company shall provide to Indemnitee any factual written information provided to the investigating entity concerning the investigation; provided, that by executing this Agreement, Indemnitee agrees to use such information solely in connection with the defense of such investigation and, if Indemnitee is not then serving the Company as an officer or director, shall execute a confidentiality agreement. This section 14 shall not apply if either: a) a majority vote of the body set forth in Section 8(b) or, if a Change in Control then Independent Counsel, shall conclude that it is detrimental to the Company's interests in that investigation or any related actual or threatened Proceeding for the Company to share such information; or b) such information sharing is prohibited or limited by law or court order.

15. Broadest Interpretation. In the event of any change after the date of this Agreement in law, statute, or rule which expands the right Company to indemnify Indemnitee, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in law, statute, or rule which narrows the right of Company to indemnify Indemnitee, such change, to the extent allowed by law, shall only apply to matters that relate to alleged acts, errors, or omissions of Indemnitee that postdate such change.

16. No Imputation. The knowledge or actions, or failure to act, of any director, officer, employee, or agent of the Company, or the Company itself shall not be imputed to Indemnitee for the purpose of determining Indemnitee's rights hereunder.

17. Survival of Rights.

(a) All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an Agent of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed Proceeding by reason of the fact that Indemnitee was serving in the capacity referred to herein.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. In addition, the Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement and indemnify Indemnitee to the fullest extent permitted by law.

18. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent permitted by law, including those circumstances in which indemnification would otherwise be discretionary.

19. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality and enforceability of the remaining provisions of the Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, such remaining provisions shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

20. Modification and Waiver . No supplement, modification, or amendment of this Agreement shall be binding unless it is in a writing signed by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions (even if similar) nor shall such waiver constitute a continuing waiver.

21. Notice . All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) upon delivery if delivered by hand to the party to whom such notice or other communication shall have been directed, (b) if mailed by certified or registered mail with postage prepaid, return receipt requested, on the third business day after the date on which it is so mailed, (c) one business day after the business day of deposit with a nationally recognized overnight delivery service, specifying next day delivery, with written verification of receipt, or (d) on the same day as delivered by confirmed facsimile transmission if delivered during business hours or on the next successive business day if delivered by confirmed facsimile transmission after business hours. Addresses for notice to either party shall be as shown on the signature page of this Agreement, or to such other address as may have been furnished by either party in the manner set forth above.

22. Governing Law . This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware. This Agreement is intended to be an agreement of the type contemplated by Section 145(f) of the General Corporation Law of Delaware.

23. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement, and electronically transmitted signatures shall be valid.

The parties hereto have entered into this Indemnification Agreement, including the undertaking contained herein, effective as of the date first above written.

Indemnitee:

Address:

The Company:

EVERI HOLDINGS INC.

By: _____

Name: _____

Title: _____

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael D. Rumbolz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Everi Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 7, 2019 By: /s/ Michael D. Rumbolz

Michael D. Rumbolz
President and Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Randy L. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Everi Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 7, 2019 By: /s/ Randy L. Taylor

Randy L. Taylor
Chief Financial Officer

EXHIBIT 32.1

EVERI HOLDINGS INC.
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Everi Holdings Inc. (the "Company") on Form 10-Q for the period ended March 31, 2019 filed with the Securities and Exchange Commission (the "Report"), Michael D. Rumbolz, President and Chief Executive Officer of the Company, and Randy L. Taylor, Chief Financial Officer of the Company, each hereby certifies as of the date hereof, solely for the purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: May 7, 2019

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
President and Chief Executive Officer

Dated: May 7, 2019

/s/ Randy L. Taylor
Randy L. Taylor
Chief Financial Officer